

BUSINESS WEEK



The Surplus Property Board — Edward Heller, Guy Gillette, Robert Hurley — has a bear by the tail

In This Issue:

Issue:
**Management's Guidebook
To War Surplus Disposal**
Report to Executives

A Report to Executives



TWENTY CENTS. - BY THE McGRAW-HILL PUBLISHERS.

1940-1949
1950-1959
1960-1969
1970-1979
1980-1989
1990-1999
2000-2009
2010-2019
2020-2029

Where is this "Common Man"?

THREE are hundreds of millions of common men in Europe, Asia, Africa. They are common because they cannot hope to improve their lot or reach a living standard even one tenth as good as that of the poorest American. The reason is that they do not produce enough.

All the politicians and conferences in the world can never change the fact that a man can be paid only out of what he produces. The hundreds of millions produce little and so can only be paid a little.

There are no common men in America, except where modern machines are not provided for workmen. Modern machines give a man the opportunity to improve his production and so improve his standard of living, with no limit unless he limits his own ability and production or allows others to do so.

When the war is over there will be tens of thousands of excellent war-built machine tools in this country. If they and all our other equipment are efficiently used, if every one of us—business man, workman, politician—constantly improves his efficiency, the cost of everything we all make and do will go down. As cost goes down, demand goes up. And when demand goes up, the workman can be paid more, and is more secure in his job.

Of course the reverse is true, too. If we reduce our efficiency by use of obsolete machinery, by talk of 30-hour weeks, by featherbedding, by wasteful practices in business and government—if we reduce our efficiency, costs go up, demand shrinks, and the living standard goes down. That's the way to add America's 130,000,000 people to the hordes of common men of the world.



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They used a chain to run the big belt that carries grain. At the high top of the elevator, it was a nuisance to grease so it didn't get greased—and breakdowns were frequent.

The chain and gears finally went to pieces for keeps, and the owner decided to replace them with a rubber belt drive that wouldn't need any greasing. The only trouble was he

was told there wasn't room enough unless he wanted to tear out part of a concrete wall and floor to make room.

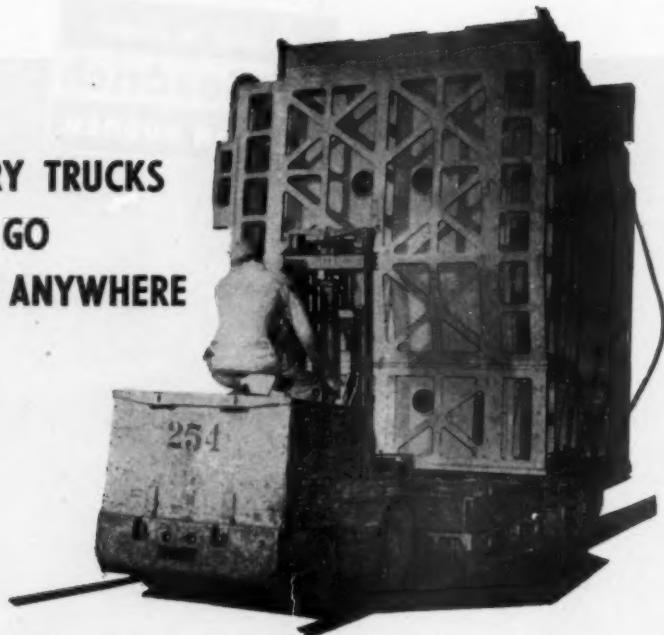
But instead of doing that he called for help from B.F.Goodrich. He learned that B.F.Goodrich engineers had, just a short time before, developed an entirely new kind of V-belt—more than twice as strong as any other belt because it had two wire cables, called grommets, buried in the rubber of each belt to give it strength, absorb shock and make sure of positive drive at any speed.

B. F. Goodrich engineers studied the problem, then recommended and in-

stalled a drive using these new wire grommet V belts. Because of their strength only a few were needed; there was plenty of room for them. Because they require almost no attention, maintenance costs have just about been eliminated, and the grain keeps moving. In addition they're clean and quiet—no grease or dirt, no clanking. All these are typical results of the B. F. Goodrich research that has meant so many important improvements in rubber products for industry. *The B. F. Goodrich Company, Industrial Products Division, Akron, Ohio.*

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Thus, they are inherently dependable and economical, and this is especially important in the war industries where they are working 24 hours a day. Here they have the additional advantage of operating from one battery while another is on charge; except for the few minutes needed to exchange batteries, they need not stop for servicing of the power unit.

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ALKALINE BATTERIES

BUSINESS WEEK

WHERE TO FIND IT

Canada
Finance
Labor
The Labor Angle
Marketing	.....
The Markets	.....
New Products	.....
The Outlook	.....
Production	.....
Report to Executives	.....
The Trading Post	.....
The Trend	.....
The War and Business Abroad	.....
War Business Checklist	.....
Washington Bulletin	.....

The Pictures—Cover—Harris & Ewing; Acme; 17, 18—Wide World; 20—Acme; Harris & Ewing; 24—Air Technical Service Command; 43, 44, 50—Acme; 52—Wide World; 58—Acme; 60—Underwood & Underwood; 77—Wide World; 96—Int. News; 100—Acme; 108—Int. News.

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WEEKLY WASHINGTON BULLETIN

OTHER GOOD POLITICIAN

one, Truman's renovation of his cabinet is significant in terms of the political shift of political power—beginning in Mississippi, Texas, New Mexico, Washington gain cabinet seats, filling those vacated by a Pennsylvanian, an Indian, and a New Yorker, respectively in the Justice, Agriculture, and War departments.

Others, the appointments are noteworthy in terms of their direction—or rather the lack of it. Certainly, the selections can be interpreted as any move to the right in Truman's part.

To those who keep a close watch on the capitol scene the choices are notable for demonstrating that Truman is as smart a politician as his predecessor. This is particularly evident in the surprise appointment of Clinton Anderson of New Mexico, as Secretary of Agriculture.

Anderson Off Hot Spot

Anderson's selection takes the Administration temporarily at least, off the spot as blame for food shortages is concerned. Anderson who, as chairman of the House Food Investigating Committee, did a capable job (BW—Apr. 18) now is responsible for putting the best face on the situation, and the noisiest critics of the Administration's food program must give him a turn around.

Anderson in Agriculture

Anderson's plan to consolidate the War Food and the War Food Administration will eliminate one of the main sources of criticism—divided authority and overlapping functions. At the same time remove two advocates who were weak for top posts: Claude Wickard from Agriculture and Marvin Jones from WFA.

The Senate is not likely to object seriously to Wickard's appointment to the Rural Electrification Administration, especially as he can now be expected to forget his objections to taking WEA out of the Agriculture Dept. and restoring it to independent status. Wickard, who has long wanted to return to the U. S. Court of Claims, now has his chance.

Anderson's Sideline

Anderson, an insurance broker with a 10-acre dairy farm on the side, is a businessman who testifies frequently to the truth in facts and figures.

Before going to Congress in 1940, his vote-getting had been confined to election as president of Rotary International, in 1932. He served an appointive term as New Mexico state treasurer, another as Albuquerque relief administrator, so pleased the voters that they rejected his bid for retirement after one term in Washington.

Acceptable to Labor

Judge Lewis B. Schwellenbach's ambition is to sit on the Supreme Court. He hoped for that reason that Truman would name him Attorney General, but the President prevailed on him instead to accept the labor post, as predicted (BW—May 19 '45, p5). Both he and his record are acceptable to labor.

Schwellenbach was elected to the Senate in 1935, and as one of the "Young Turks," including Truman, Carl Hatch, and Sherman Minton, injected considerable yeast into the traditionally pompous behavior of the upper chamber. Schwellenbach quickly earned the esteem of the late Sen. George Norris and was a fervent supporter of New Deal measures.

A hard worker, he resigned from the Senate in 1940, primarily because of bad health, and was rewarded by Roosevelt with a federal judgeship. He was on Roosevelt's list of eligibles for eventual elevation to the Supreme Court.

A poor boy, who worked his way through college and law school, he first achieved a reputation as a liberal when he went to bat for labor unions in court fights. In 1933 Schwellenbach keynoted the campaign for state old age pensions and carried the fight successfully to the Supreme Court. An Episcopalian, Schwellenbach was one of the

leading non-Catholics in the state who joined in defeating the efforts of the Ku Klux Klan (1924) to close the parochial and religious schools.

Clark: Cautious Trust Buster

Tom C. Clark, nominee for Attorney General, is a Texas lawyer with powerful political connections (Speaker of the House Sam Rayburn). His favorite observation is: "A good lawyer never files a suit unless he's sure he'll win." This attention to the scoreboard accounts in part for his high standing with President Truman.

As head of the Justice Dept. Criminal Division, which includes the war frauds unit, Clark was able to show an impressive list of convictions to the Truman Senate Investigating Committee—and to follow up Truman revelations with successful prosecutions.

Clark has been with the Justice Dept. since 1937. When Thurman Arnold resigned to take a federal judgeship, Clark stepped up to replace him as head of the Antitrust Division (BW—Mar. 20 '43, p7). Under his guidance, the Antitrust Division moved cautiously, in marked contrast to the dramatic tactics used by Arnold.

After six months, Wendell Berge replaced him in the Antitrust Division and Clark moved over to the Criminal Division. His record there shows a comparatively small number of cases filed and a comparatively high rate of convictions. While his appointment doesn't presage any immediate reversal of the government's policy in antitrust matters, it may put a damper on the long-run program of vigorous enforcement that Berge and his assistants have been laying out.

LAYOFF COMPROMISE

President Truman is trying to iron out, in advance, opposition to the "human reconversion act," which went overboard in the fight incident to enactment by the last Congress of the War Mobilization & Reconversion Act last September.

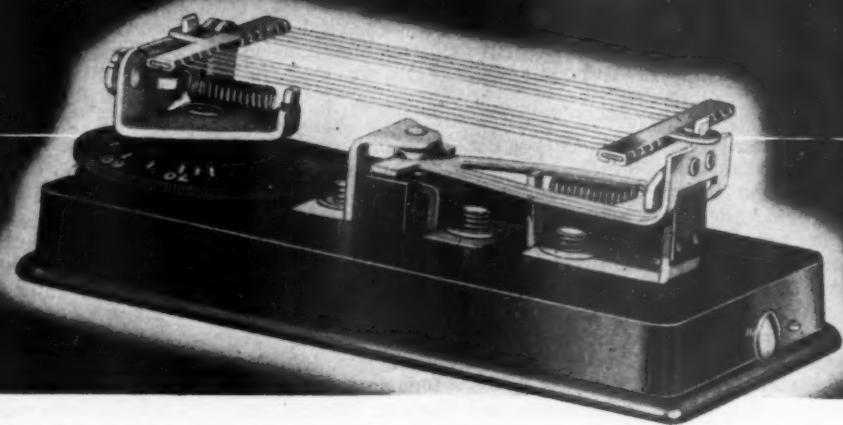
The compromise behind which Truman is lining up influential senators and representatives—Chairman Robert L. Doughton of the House Ways & Means Committee is holding out—would provide that released war workers be given \$25 a week unemployment compensation for a maximum of 26 weeks; that administration of the law be retained by the states; and that lump

Paper is a number 1 war material shortage—because over 700,000 different war items are wrapped, packaged, labeled, tagged, or made from paper or container board. The Pacific war will require stupendous amounts of it. So please do this extra bit to speed victory:

(1) Share this magazine with your associates. Because of the paper shortage, the number of copies is limited.

(2) Organize for a continuous drive in your office and plant to collect waste paper of any kind to put into paper salvage.

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WASHINGTON BULLETIN (Continued)

payments be made to the states into the federal treasury to cover the difference between states' rates and the 3,000,000 federal employees, maritime workers, would be covered still.

• PAY SERVES NOTICE

C.I.O.'s reconversion wage demands were officially served on President Truman this week. Union chief Murray told the President what workers can soon expect to hear from top committees, that a 20% wage increase is necessary to make up earnings that will be lost when industry cuts back from the 48-hour work-week (BW-4/4).

Significantly, Truman made no comment. The Administration is prepared to lift wage ceilings when hours at officials are not enthusiastic about providing an "advance cushion."

• ACTIVE UNCHANGED

Look President Truman's word in the lend-lease report to make it but coordination of U. S. Canadian reconversion was an established objective months ago (BW-1/45, p.9).

Key to the three-power formula of equitable shares of industrial capacity to the war against Japan to permit parallel reconversion of three countries.

• EXPORT POOLS UNDER FIRE

Backing down an appeal of the U. S. Export Assn. and the California Export Assn., the Supreme Court ruled that the Justice Dept. can sue antitrust violations arising under the Webb-Pomerene export trade without waiting for the Federal Commission to act. Administration of the law, which permits exporters in pools, is lodged in FTC.

Instead of waiting for FTC to assume active role as policeman, and consider that export pools had participated in international cartels, the Justice Dept. moved against the alkali associations. The case now will be tried on merits.

The decision clears the way for antitrust action against other export pools. Justice Dept. doesn't lack for cases, its aggressive policy also has aroused FTC (BW-Dec. 30 '44, p.58).

CONSUMER GOODS QUOTAS

Heavy consumer-goods industries are about to go to the post for reconversion, and WPB's rules, though not yet hard and fast, are fairly clear.

Automobile companies are given a bogey of a bit over 2,100,000 passenger cars, for the first full year after the

July 1 start (page 15). Quotas for individual manufacturers are supposed to be divided according to output in the last three or four months before the shutdown in February, 1942. This means the "independents" would get a somewhat bigger share of the total than they have historically had. Companies whose war contract cutbacks don't per-

OPA Extension Caught in Congress Tangle

With only five weeks to go before the price-wage control law expires June 30, legislation to continue the life of OPA is all balled up—as usual.

• **Continuing Resolution Likely**—Increasingly, it looks as though Congress will have to fall back on a simple continuing resolution leaving the present law intact for another three to six months, while a new law is battled through.

A continuing resolution was averted last year only through OPA's unexpected willingness to compromise at the last minute (BW-Jul. 1 '44, p.15). This year there is both less time and less room for compromise.

For a while, it looked as though the price law would have smooth going for the first time in its history (BW—Feb. 17 '45, p.7). Then the meat shortage popped up. This, with a minor fracas over cotton textile pricing, slowed up action by the Senate Banking Committee (BW-Apr. 14 '45, p.7).

On the other side of Capitol Hill, the price law has been backed up behind legislation on the Bretton Woods monetary agreement. The House Banking Committee hasn't yet opened hearings on price control and won't get around to them until next week—if then.

• **Congress Marks Time**—Congress isn't completely convinced that the Administration's new program on meat (page 18) will turn the trick, and regards the price act as a logical vehicle for congressional action. Sniping at OPA's reconversion pricing policy has already begun (BW-May 19 '45, p.19), and it will probably develop into a major campaign over the next few weeks.

Republican leaders—Sen. Robert A. Taft and Rep. Jesse P. Wolcott, ranking minority member of the House Banking Committee—want

Congress to take a look at reconversion pricing. Wolcott will insist on full hearings by the House committee before a new price law is passed.

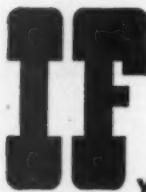
Democratic leaders see a continuing resolution as a chance to stave off amendments to the law for a few more months, by which time meat might be a little more plentiful. Sen. Robert F. Wagner has delayed publication of the Senate committee's report on price control to the point where there will not be time for full debate on the floor. Democrats are talking about a six-months' extension, Republicans about 90 days.

• **OPA's Dilemma**—OPA is trapped in a blind alley. A new law at this time would mean another fight with Congress and the risk that weakening amendments would legislate price control out of the realm of effective stabilization.

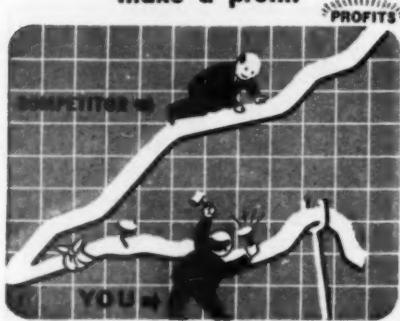
A continuing resolution might not simply mean postponement of another revision of the stabilization law. It entails the risk that with the end of the Japanese war a few months closer, and with prices perhaps sagging a little under the first impact of cutbacks, Congress might feel that the danger was past and throw stabilization overboard entirely. OPA is afraid that in this war—as in the last—the real inflation may come after the shooting stops.

• **Truman Evades Showdown**—President Truman has indicated that there will be no lifting of wage ceilings until earnings fall off. As long as the wage line holds, the price line must hold, too.

But, so far, Truman has left Congress pretty much to itself in working out a new price-wage law. With a hard fight still ahead on reciprocal trade, Bretton Woods, and the San Francisco conference, this is no time for Truman to pick trouble on domestic legislation.



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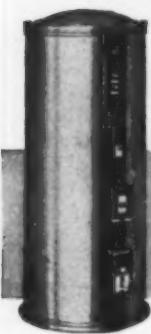
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mit them to apply for full quotas presumably would have to give the leftover materials to producers who could use them, but they all intend, come hell or highwater, to produce up to the limit.

Materials Allotted to Newcomers

The proposal for mechanical refrigerators is 265,000 for each of the last two quarters of 1945. About 15% of the available materials would go to newcomers, all applications to be in by July 1. The remaining 85% would be divided up on "historical pattern" contingent on manufacturers' space, engineering skill, and labor supply of those employing more than 100 workers. Quotas for small plants would be larger, relative to their capacity, than those for big ones.

Washing machines follow the same general pattern as refrigerators, although the set-aside of materials for newcomers would be 5% instead of 15%.

CAPITAL GAINS (AND LOSSES)

Harry Hopkins' mission to Moscow and Joseph Davies' mission to London are paving the way for a meeting of Truman, Stalin, and Churchill, although this is not likely to take place until after the British elections in July.

Rufus J. Wysor, until recently president, now director of Republic Steel, will be assigned by the War Dept. to rehabilitate the German steel industry.

Herbert Berman, the Justice Dept.'s cartel expert, is in Europe questioning recently captured directors of I. G. Farbenindustrie, the huge German chemicals trust. The Justice Dept. thinks the Germans may provide some high-capacity ammunition for its pending suits against American companies charged with prewar cartel hookups.

Earl B. Wilson, chief of the sugar section of Commodity Credit Corp., is slated to get authority to coordinate the government's sugar activities as proposed by the Anderson food investigating committee (page 24). Wilson is a former vice-president of the National Sugar Refining Co.

—Business Week's Washington Bureau

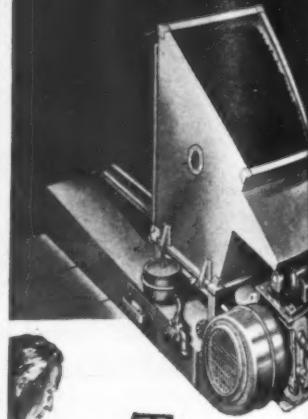
THE COVER

Ringmasters in the surplus disposal program are Edward Heller, Guy M. Gillette, and Robert A. Hurley. They comprise the Surplus Property Board, which—with half the agencies in Washington aiding and abetting—formulates policies for the biggest clearance sale in history. As a service to prospective buyers, Business Week furnishes a Guidebook to Surplus Disposal (page 43).

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Page 9

THE OUTLOOK

NESS WEEK
Y 26, 1945



Reduction in draft requirements by 25% this week—with emphasis on young men for combat replacements—contrasts sharply with the Army's continued reluctance to proceed with its scheduled cuts in war contracts.

Business prospects are obscured, too, by diplomatic misadventures in Europe and talk of the possibility that Japan might soon give up.

Management should weigh all these things. Yet it is easy to exaggerate day-to-day developments—Trieste, for instance. We may be mangling the fruits of victory in Europe, but that is for history to decide.

The home front job is to get on with the Japanese war and to prepare, as best we can, for the transition to a peacetime economy. **The best guide still is cutbacks of 40%—or maybe more—within the year.**

There's an obvious explanation for the lag in war contract terminations. It is the Army's ingrained distaste for chance-taking—an altogether commendable attitude if it isn't carried too far.

First the Army said it couldn't cut its buying much because of the magnitude of a campaign in China. Next it argued that supply lines to the Pacific would have to be filled by continued production until goods in Europe could be sorted, repaired, transhipped.

Now still another reason, which cannot be discussed, is advanced.

The cutbacks, nevertheless, are coming. **WPB's plan for getting reconversion started July 1 probably won't be much retarded.**

Present war output does involve stockpiling. Army denies vehemently, however, that it is stockpiling for anything but the Japanese war.

The Army counted on building still further its preponderance of strength over Japan when it limited its cutbacks to about 10% in the three months after Germany's fall. Otherwise the cuts could have been much deeper.

Arguments in Washington these days hinge on whether or not the Army is sticking to the schedule it set. WPB says, "No."

And there is an important corollary to all this: **The less the cuts now, the deeper they will be later if the war goes well.**

Manufacturers have been doing a notable job of paring inventories in the face of continued high war output.

The decline from the all-time peak in November, 1943, to the end of last March has been 9% or about \$1,500,000,000. This brings the total down to approximately the same level as that of early 1942, whereas factory shipments now are 50% higher than they were then. Thus, stocks not only do not appear excessive but may even be subnormal.

Remember that prices have risen since 1942. The rise recorded by official indexes would knock about \$1,000,000,000 off present stocks; hidden increases might account for another \$1,000,000,000. Thus stocks, in terms of physical volume rather than value, may be 10%-12% below 1942.

Finally, a lot of the \$7,000,000,000 inventory of heavy war industries can't be used in civilian production. This cuts still further into the amount of present stocks that will be usable in reconversion.

All this looks more like a replenishment cushion than surpluses—a boon to general business activity for the reconversion period.

Some of the reduction in manufacturers' inventories since late 1943 simply

THE OUTLOOK (Continued)

BUSINESS WEEK
MAY 26, 1945

has meant depletion of civilian goods. Nevertheless, two-thirds of the \$1,500,000,000 decline has been in war plants.

War contractors working in metals have effected a slash of 17% in their raw materials and goods in process—areas where surplus problems might be serious. All other factories have managed a cut of only 5%.

Reconversion will restore some of the old significance to the figures on new orders booked by manufacturers.

The value of such orders is compiled monthly by the Dept. of Commerce in its Industry Survey (which also presents the inventory and shipment figures). But with Uncle Sam taking 60% of total manufacturing output, new orders have presented huge but rather meaningless totals.

As the cutbacks deepen and reconversion progresses, new orders will measure the ability of civilian lines to take up the slack.

Prospects for more gasoline and fuel oil to run cars and heat homes in this country are bolstered by world petroleum output as well as by lessened demands on our own production following the end of the war in Europe.

We increased the oil flow from 1,406,000,000 bbl. in 1941 to 1,678,000,000 in 1944, a gain of nearly 20%. We'll do a shade better still in 1945. Our war effort also is backed by Venezuela, world's third largest producer, whose output is up from 223,000,000 bbl. in 1941 to 266,000,000.

The China-Burma-India war theater can draw much of its needs from Persian Gulf fields which turned out 120,000,000 bbl. last year.

Europe's rationed civilians, meanwhile, shouldn't make out too badly. The magazine World Petroleum estimates Russia's 1944 output at 270,000,000 bbl. in 1944 against 242,000,000 in 1941 and notes further that the U.S.S.R. is continuing extensive exploration.

Then, too, western Europe can tap Iraq's 35,000,000 bbl. through the pipelines from the Mosul field to the eastern end of the Mediterranean.

One fly in the ointment for holders of "A" and "B" gasoline rations is the possibility that the need for conserving tires will result in their getting less motor fuel this summer than supplies might justify.

Situations in paper and the fats and oils probably are being painted blacker than they really are in the light of changing world conditions.

Swedish pulp and paper production and the stockpile of perhaps 900,000 tons now are on the market (BW—May 19 '45, p 111), and these exports will proportionately ease the strain on Canada and the United States.

This week the U. S. concluded arrangements to resume copra imports from the Philippines. This coconut oil deal comes right on the heels of that with Argentina for its sizable surpluses of linseed, peanut, and other oils.

Furthermore, Denmark is expected to be able to provide the rest of Europe with 40,000 tons of butter over the next year.

Pricing Note: When you wonder what you'll be paying for steel in reconversion, remember that concessions from posted prices have disappeared. This week's price rise (page 19) amounts to 1%-3%, and concessions probably averaged 7%-8% before the war. This indicates a total rise of 10%.

FIGURES OF THE WEEK

THE INDEX (see chart below). *235.2 †234.6 235.8 230.4 236.8

PRODUCTION

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
Steel Ingot Operations (% of capacity)	92.9	95.3	93.2	95.4	98.4
Production of Automobiles and Trucks	21,260	†17,585	20,335	20,930	17,770
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)	\$6,241	\$6,125	\$6,103	\$4,263	\$5,786
Electric Power Output (million kilowatt-hours)	4,377	4,302	4,411	4,450	4,246
Crude Oil (daily average, 1,000 bbls.)	4,867	4,860	4,798	4,739	4,513
Bituminous Coal (daily average, 1,000 tons)	1,785	†1,815	1,712	1,967	2,042

TRADE

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars)	83	86	86	85	82
All Other Carloadings (daily average, 1,000 cars)	56	58	55	59	63
Money in Circulation (Wednesday series, millions)	\$26,372	\$26,312	\$26,068	\$24,717	\$21,846
Department Store Sales (change from same week of preceding year)	-1%	†+5%	+3%	+9%	+31%
Business Failures (Dun & Bradstreet, number)	15	16	24	13	28

PRICES (Average for the week)

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
Spot Commodity Index (Moody's, Dec. 31, 1931=100)	257.1	256.9	256.5	248.3	250.3
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939=100)	166.3	166.5	166.4	163.3	163.9
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939=100)	227.8	227.7	227.0	220.9	223.6
Finished Steel Composite (Steel, ton)	\$57.55	\$57.55	\$57.55	\$56.73	\$56.73
Scrap Steel Composite (Iron Age, ton)	\$18.92	\$19.08	\$19.17	\$17.08	\$19.17
Copper (electrolytic, Connecticut Valley, lb.)	12,000¢	12,000¢	12,000¢	12,000¢	12,000¢
Wheat (Kansas City, bu.)	\$1.67	\$1.66	\$1.64	\$1.59	\$1.62
Sugar (raw, delivered New York, lb.)	3.75¢	3.75¢	3.75¢	3.75¢	3.74¢
Cotton (middling, ten designated markets, lb.)	22.62¢	22.50¢	22.30¢	21.34¢	21.03¢
Wool Tops (New York, lb.)	\$1.340	\$1.340	\$1.340	\$1.340	\$1.340
Rubber (ribbed smoked sheets, New York, lb.)	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

FINANCE

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
30 Stocks, Price Index (Standard & Poor's Corp.)	117.6	116.4	115.9	101.1	96.4
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's)	3.32%	3.33%	3.36%	3.53%	3.62%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's)	2.62%	2.62%	2.61%	2.72%	2.72%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average)	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate)	4%	4%	4%	4%	4%

RANKING (Millions of dollars)

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
Demand Deposits Adjusted, reporting member banks	39,900	39,490	38,603	38,417	35,362
Total Loans and Investments, reporting member banks	57,228	56,995	57,291	54,043	50,319
Commercial and Agricultural Loans, reporting member banks	5,797	5,829	5,958	6,328	5,990
Securities Loans, reporting member banks	3,016	2,872	2,687	2,510	1,779
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks	42,853	42,748	43,143	39,883	37,232
Other Securities Held, reporting member banks	3,017	3,027	3,092	2,877	2,851
Excess Reserves, all member banks (Wednesday series)	1,050	900	800	1,087	936
Total Federal Reserve Credit Outstanding (Wednesday series)	21,587	21,589	20,973	18,807	14,382

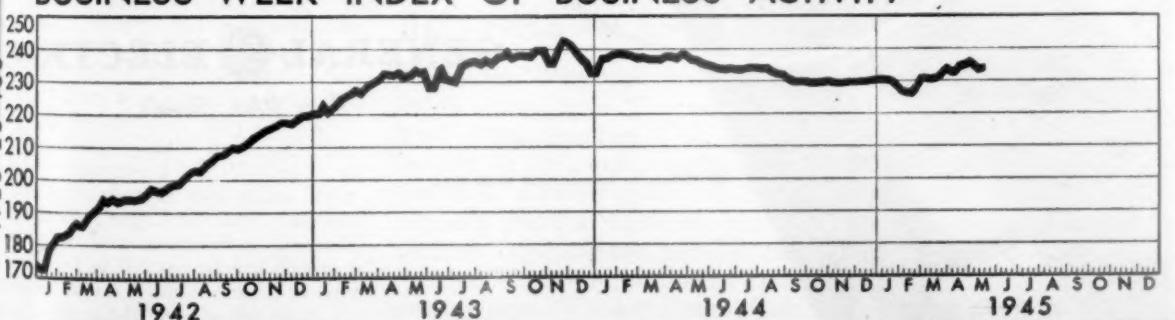
Preliminary, week ended May 19.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY



Plastic pins THAT PACK A WALLO

Somewhere in the Pacific . . . A Jap "Nell" drops out of the sun and starts her run on an American Carrier. Anti-aircraft batteries open up . . . each 40 millimeter Bofors gun sending 120 projectiles a minute to intercept—AND A PLASTIC PIN RIDES IN THE NOSE OF EACH SHELL.

Millions of plastic firing pins have been manufactured by the General Electric Company to such exacting specifications that the instant the tip of the projectile touches a plane the plastic pin is driven backwards, striking the detonator which explodes the shell . . . downing any Jap Nell, Betty, Lily or Sally.

These plastic pins are just one of the many exacting war jobs being skillfully accomplished by the General Electric Company. World's largest manufacturers of plastic parts, the General Electric Company is prepared to place at the disposal of any industry the complete facilities of its modern plastics plants and the knowledge of its experienced designers, engineers, chemists and toolmakers.

Since the General Electric fabricates all types of plastics it can and will give you an unbiased recommendation for your specific job. Write Section D-5, General Electric Company, 1 Plastic Avenue, Pittsfield, Massachusetts.

Hear the General Electric radio programs: "The G-E All-Girl Orchestra" Sunday 10 P.M. EWT, NBC. "The World Today" news every weekday 6 P.M. EWT, CBS. "G-E House Party" every weekday 4:00 P.M. EWT, CBS.

GENERAL  ELECTRIC

Buy War Bonds

40 Millimeter Anti-aircraft Shell Fuse



Autos: 2,146,786 by Mid-1946

But the average man won't get one for many months, since essential users come first. Car factories, awaiting July 1 signal, set stage to roll first new models off assembly lines.

The average man won't get a 1946 model automobile this year, perhaps not until twelve months or more from now. But probably a quarter million or more essential car users will be able to drive out of showrooms by Christmas in the first new cars the auto industry will have made since early 1942. Ready to Go—Promise that auto building will be allowed to resume within the next few weeks was given last week by the War Production Board. Quotas for individual makers will be based on output just before the 1942 shutdown (page 7). WPB proposes then to "open-end" the Controlled Materials Plan so that nonpriority civilian industries may get steel, copper, and aluminum so long as their deliveries don't get in the way of military and other high-priority users.

But a delegation of the United Auto Workers (C.I.O.), which followed the industry men into WPB, demanded an earlier start, and one on an unlimited basis. There was some belief that this pressure, generated by claims that unemployment was growing rapidly in Detroit, might bring automobile production developments to an even earlier head.

Factories Get Set—The stage, meanwhile, is rapidly being set for auto output. Construction work on new facilities has begun. Machine tools are being procured. Orders have been placed up and down the line for materials and parts, contingent on releases for them from WPB.

This means that within the next few months the first 1946 model cars will poke an erratic way down renovated assembly lines. Detroit optimists expect that the first will appear before September. Even the pessimists figure that they will be along in early October.

The 1946's won't look like their 1942 predecessors (BW—Oct. 21 '44, p18). Body changes, new grilles, different interior design, and other modifications have been undertaken generally. The extent of the appearance change is expected to be about the same as from one prewar model year to the next.

Few Engine Changes—Mechanically the cars will not vary from the 1942's,

except in minor particulars where materials or production problems may dictate casual re-engineering. The improvements under the hood will have to await the 1947 models, on which technicians released for such work last week are already doing some preliminary dabbling.

Qualitywise, the cars will be about as good as they were before the war. There will be probably less alloy in some of the steel, because of the satisfactory wartime performances of a few of the National Emergency grades. But that will not affect performance or parts life.

Fabrics may be cheaper on some

cars, better on others, since it will be impossible to get the same cloths bought before the war. Tires will be synthetic, which means they will not stand up quite as well under high speeds as the all-crude grades of the past. Few other changes are likely.

• Fewer Models—There will not be as many body types to choose from as in the past. This will be due to two considerations:

(1) Slim size of the initial production allowances—215,000 for the balance of this year and 2,146,786 for the twelve months starting with go-day, only about half of a good year's output—will force the auto people to concentrate on fewer models as an economy measure. The figure for this year may be boosted later. (2) Production bottlenecks may bob up frequently. General Motors, for instance, fears that it may be short of press facilities. The available presses will be used most efficiently by holding them steadily on a few models, rather than spreading them over many. Other



THE WHEELS ARE KEPT TURNING

At Chicago, Army truck drivers hear the order of the day—to get government freight moving again. They were summoned this week when a strike of 6,500 truck drivers, members of the independent Chicago Truck Drivers' Union, brought the city's transportation of war goods and food to a virtual standstill. The strike, a protest against NWLB's refusal to accede fully to wage increase demands, ended at midweek when President Truman ordered the Office of Defense Transportation to seize the 1,200 firms involved, take over their operation. Previously, the drivers—evidently mindful of the hard coal operators' success (page 102)—had inferred that federal operation of the truck lines would not influence their determination to stay out until their wage demands were met.

Willow Run Offered to Union—No Sale

The United Auto Workers (C.I.O.) is juggling a hot public relations potato.

Since the decision some weeks ago to close the Willow Run bomber plant, operated by Ford Motor Co. (BW—Apr. 28 '45, p24), the union has been protesting that the \$96,400,000 plant should be put to use. Union officials—fighting to preserve jobs of 140,000 of its members—have suggested that Ford, the government, or almost anybody undertake at Willow Run the manufacture of bath tubs, heavy machinery, railroad cars, aircraft, farm implements and tractors, prefabricated houses, or a variety of other consumer goods adapted to assembly-line production.

• **Via the Letter Columns**—In mid-May, when U.A.W. appeals for someone to do something about Willow Run were strongest, letters began to appear in Detroit newspapers suggesting that the union itself take over Willow Run. The letters generally went on to observe that this would give U.A.W. an opportunity to demonstrate the practical nature of its widely advertised reconversion plan to bring prosperity to the auto industry through low prices and high wages.

Now, those volunteer proposals have the official indorsement of Hans A. Klagsbrunn, director of surplus property for the Reconstruction Finance Corp. (page 60). In a conversation with R. J. Thomas, U.A.W. president, and Richard T. Frankensteen, a vice-president, Klagsbrunn invited U.A.W. to make an offer for the plant, saying that any proposal—whether to buy the plant or to lease

it—would receive full consideration.

• **Cash on Barrelhead**—He added that the offer must be "a business proposition which promises to create employment," meaning U.A.W. would have to put cash on the barrelhead, although not necessarily a large capital investment if prospects for employment appear good.

Assuming Ford holds to its decision not to exercise its option to take over Willow Run, RFC could legally turn the plant over to the U.A.W., for it does not have to offer plants at auction but can negotiate any sale it chooses, after advertising that the property is for sale and inviting offers.

The Klagsbrunn proposal caught the unionists flatfooted. Response was tame and belated. In a brief statement, George Addes, U.A.W. secretary-treasurer, said that the union's responsibility is to bargain for employees, not to manage plants. Hence, he said, U.A.W. is not interested in any plant purchases.

• **Promotion Continues**—Meanwhile, U.A.W. continues busily promoting sale of Willow Run to some other purchaser. Principal sales point is U.A.W.'s willingness to cooperate with anyone willing to continue the plant operation—with U.A.W. workers and U.A.W. contracts. Among those reported approached was Henry J. Kaiser, West Coast shipbuilder whose eyes are on the postwar automotive field.

This week, Thomas told his fellow unionists that plans were afoot for the takeover of Willow Run by an unnamed company which manufactures a car "that makes 40 miles on a gallon of gas."

Companies will face similar problems. Conceivably some car makers might offer only a five-passenger car in one standard model, or a choice between no more than two or three body types. • **Higher Costs**—No matter how tightly manufacturing economies are held, the products will cost more, OPA notwithstanding. The average auto industry labor rate today is about \$1.13 an hour, where in 1941 it stood at \$1. The indicated 13% increase in labor, representing about half the cost of a car, is matched with at least a similar gain in costs of materials, parts, overhead.

Beyond that, the reduced size of the 1946 model runs will mean that fixed costs must be amortized at higher rates. Because of these factors, auto people

figure that their retail prices can reasonably wind up 20% or so above 1942 model prices. Final decisions, of course, hinge on OPA. That agency will fight to bring autos in line with the general policy on reconversion prices which it announced last week (BW—May 19 '45, p19)—a policy of holding to 1942 prices or allowing such increases as are necessary to keep profits from sagging below the 1936-39 average.

• **Lower Than Leftovers**—Even at that, the prices will be lower than current quotations on the thin handful of 1942 models still in stock. These prices have increased 1% a month since January, 1942, to cover expense in keeping the cars on hand. As a result, today's authorized price for a Chevrolet sedan

which was \$880 at the factory when built in early 1942 is now \$1,000 or 40% higher.

Only a few thousand of these hangovers still remain in dealer hands. They are available only to persons in essential occupations who establish a new vehicle.

• **For Essential Users**—The same controls will likely govern sales of 1946 models for many months, although OPA has not yet indicated policy on that point. Would-be buyers will probably have to demonstrate that their work is essential to the continuing war effort or to the most important phases of the civilian economy, and they will have to show further that they need a new car to do that work.

Doctors, firemen, and others in essential service, therefore, will probably have good chances of getting new cars, along with war factory workers unable to use public transportation. Probably any applicant with a genuine case will be able to show that his present vehicle is old and needs replacement.

How long the phase of rationed selling will continue is anyone's guess. Some thinking is that it will go on until a half-million cars or so are distributed, meeting critical needs. With 35,000 dealers still in business (BW—Apr. 21 '45, p19), the first five or six months' production will bring out about 15 cars for the average dealer.

• **Friend of a Friend**—When sellers move later into an unrestricted stage, the big rush can be expected to begin. It will mean that individuals with "connections" will try to be the first to get unrationed cars.

Buyers who have a good friend who is a dealer, or possibly a top salesman, expect to have an advantage. So do the thousands of persons with intimate contacts in auto factory organizations, personnel in the junior executive and executive brackets, their close friends, important suppliers, financial associates, and many others. They, no less than \$40-a-week factory hands, are satisfied that they need new cars. Auto people are fearful that they will many times hear requests in the coming months starting: "I wonder if you could speak to the dealer and tell him . . ."

It can be taken for granted that new car buyers will be disappointed in trade-in prices offered for their vehicles. As long as demand outbalances supply as much as it promises to do in the next few years, dealers will not dare extend themselves on used car allowances. By the same token, any trade-ins they do take will probably produce juicy profits on resale.

This may stimulate deals between individuals, which are easier to carry on outside OPA price boundaries.

ICC Acts to End Rate Disparity

Calls for a uniform system of freight classification and suggests an interim adjustment which will narrow differentials that the South has long assailed as favoring eastern shippers.

For 60 years industry in the South has complained bitterly that the system of freight rates gives eastern competition an undue advantage and acts as a barrier to industrial development below the Mason-Dixon line (BW-Sep. 25 '43, p. 8).

For one example, the rate on work clothing shipped from Macon, Ga., to Chicago, a distance of 817 miles, is 36¢ a cwt. The rate on the same clothing shipped from Philadelphia to Chicago, a distance of 814 miles, is 12¢. Businessmen in the West had similar complaints.

A Uniform System—Last week the Interstate Commerce Commission did something about the situation. It closed the investigation of class-freight rates, which it had been conducting since 1939, by ordering the establishment of a uniform system of freight classification for the whole country, and eventually a uniform schedule of class rates for all territory east of the Rockies.

It may take two or three years to get the uniform classification in shape and thousands of new rates computed. But to bridge the interim period, ICC ordered an immediate adjustment that will narrow the differentials without abolishing them entirely. The interim adjustment will go at least part of the way toward removing the rate advantage which the East has over the South.

For example, the rate on the work clothes shipped from Macon to Chicago will be \$1.41 instead of \$1.56; from Philadelphia to Chicago \$1.23 instead of \$1.12, reducing the rate advantage held by eastern shippers from 44¢ to 18¢.

• **For the Interim**—The interim adjustment will be accomplished in this way: The eastern roads are to boost class rates by 10% on all intraterritorial shipments and cut them by 10% on all class-rate shipments to other territory. Southern and western roads are to cut 10% on all shipments.

Although the ICC's decision brought joy to the southern shippers and consternation to many railroad executives who had expected a milder compromise, nobody could predict yet just what effect it will have on freight movement, or on railroad earnings. The freight-rate structure is enormously complicated, and the ICC dealt with only one corner of it.

• **Smith's Claim Upheld**—Having won their point, the South and West may find that the dream promised more than reality can lay on the line. But the South was cheered by ICC's flat endorsement of its complaint. ICC held that manufacturers outside the eastern (official) rate territory—the greatest consuming territory in the country and the market that nearly all manufacturers



While southern shippers jubilated over the Interstate Commerce Commission's decision to put freight classification on a uniform countrywide basis, Gov. Ellis Arnall of Georgia gave notice that his Supreme Court fight on the railroad rate system would be fought to a finish. Chuckling that ICC's stand was a sign that "Dixie is on her way," Arnall hailed the decision as a great victory for America.

desire to reach—not only have the disadvantage of location but are subjected to an additional burden in those instances where they must pay class rates on a much higher level than their eastern competitors. The higher rates at point of origin of a shipment must also be paid for handling the shipment in lower-rate regions.

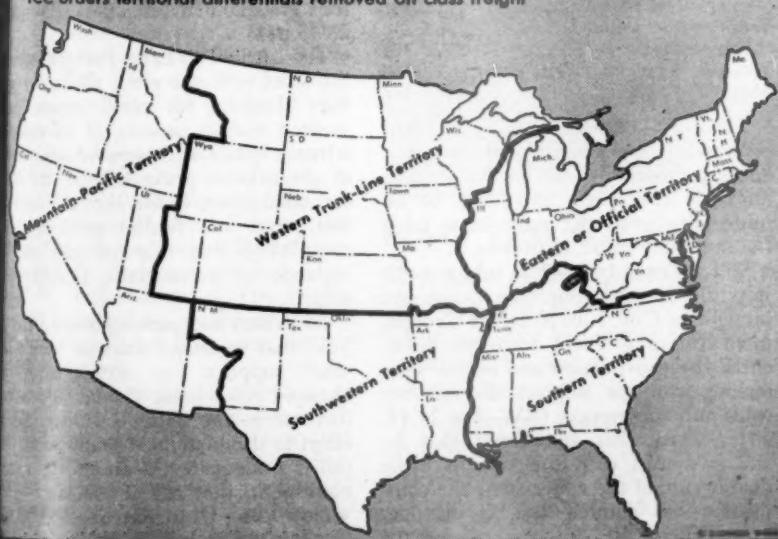
Accordingly, ICC's ruling envisions a new rate system in which the rates for all regions, except the mountain-Pacific territory, will be equalized at 115% of present basic rates for the eastern or official territory. This will mean raising the rates in the East by some 15% and hammering down the southern and western roads by as much as 37%.

Mountain-Pacific territory was omitted from the case because it had made no complaints about its rates and was not a party to the action, which was pressed originally by governors of the southern states. West Coast shippers depend on favorable through rates across the continent to get their products (principally produce) to eastern markets, and they want no part of a discussion that involves rates based on exact mileage.

• **Three Types of Rates**—In general, there are three kinds of rates in the

FREIGHT RATE REGIONAL LINES FADING

ICC orders territorial differentials removed on class freight



system which is to be revised—class rates, exceptions to class rates, and commodity rates.

Class rates are derived by grouping all shippable commodities into a limited number of categories (usually around 30) and determining a rate for each class. Theoretically, there is a class rate for every item that is shipped, but if lower commodity or exception rates are available, the class rate exists only on paper. While class rates account for only 4.1% of the total tonnage, they cover the high-value items (big revenue producers for the roads), and many of the manufactured articles that loom large in the thinking of southern and western groups that hope for expansion of their peacetime industries.

Exceptions are special changes in the classification of a commodity, applying in a limited territory or between a few specified points.

Commodity rates are special schedules on items that move in large quantities and constitute an important part of the traffic in a region. In effect, they make the particular commodity a class by itself.

• **Only Class Rates Affected**—The ICC decision covers only class rates. It doesn't apply to commodity rates, and it ducks the question of exceptions with a disapproving but by no means prohibitive remark about their "ever-increasing number."

To achieve equalization of class rates, the ICC first prescribes a uniform system of freight classification. At present, there are three different classifications—the Eastern (also called "official"), the Southern, and the Western. (Western trunk-line, southwestern, and western territories all use the Western classification.)

The ICC wants to replace all three systems with a single classification using the Eastern system as a pattern. When this is done, the same commodity will take the same class rating all over the country, regardless of its origin or destination.

• **Some Similarity Exists**—The job will be tough, but it isn't quite as bad as it sounds. Scrambled though the present system is, about 60% of the ratings are the same in all three classifications. Official and Southern have about 70% in common, Official and Western 65%, Southern and Western 73%. Thus, there are only 13% of the ratings that are dissimilar in any two classifications.

ICC has given the railroads 90 days to decide whether they will work up the uniform classification for themselves. If they decline, the commission will rig one for them.

Uniform classification is only half of class-rate equalization, however. Under the present system, the railroads of the



With civilian meat supplies almost at the vanishing point, a group of pinched playing butchers enjoys a cozy backroom game on an idle cutting block. The scene is in Boston; the shortage, with no relief in sight, is everywhere.

country are divided into five major territories—Eastern, Southern, Western Trunk-Line, Southwestern, and Mountain-Pacific (map, page 17)—and the major regions subdivide into a number of zones. Each territory, and in some cases each zone, have their own rates for the various classes of freight.

• **How They Stack Up**—In a comparison of first-class rates (which is where the differential is biggest), the various territories stack up like this, taking Eastern arbitrarily as 100:

Eastern	100
Southern	139
Western Trunk-Line (Zone I)	128
Western Trunk-Line (Zone II)	146
Western Trunk-Line (Zone III) and Southwestern	161
Western Trunk-Line (Zone IV)	184
Mountain-Pacific	166

Making allowances for exceptions and commodity rates smooths out the differences considerably, but as far as class rates are concerned, there can be no uniformity until the same class takes the same rate in all territories.

• **Still a Court Issue**—The ruling won't stop the dramatic Supreme Court suit brought by Gov. Ellis Arnall of Georgia, in an attempt to knock down rate differentials by court action and outlaw rate-making through railroad-officered bureaus and conferences (BW—Jun. 24 '44, p41). Arnall has announced that he will go ahead with the suit to make doubly sure of the concessions the commission has granted and, if possible, extend them.

New Meat Edict

Packing-house veterans believe that it is inadequate to stimulate beef production and too late to help with pork.

The meat program announced week end by War Mobilization Director Fred M. Vinson was considered official food control circles to be a drastic, sure-fire result-getting measure forced by the Anderson committee's gloves-off investigation (BW—Apr. 28 '45, p18).

• **Too Little Too Late**—Packers received the edict with the pious silence of men thankful for small favors, commented that its promise of six month advance notice of downward adjustment of government prices will bolster farmers' confidence, hence increase feeding. But range and feedlot producers complained that this was just another instance of bureaucratic timidity and delay.

Stockmen and packing-house veterans hold that no major increase in civilian meat supplies can come from the changed rules soon, though a seasonal increase is due about October. As an effort to stimulate beef production, they call it inadequate. As an effort to stimulate pork, they call it too late.

• **How Long Until Eaten?**—At the root of their skepticism is the meat trade's

ment that federal food bosses are not yet aware of the basic biology of meat supply. They impudently point out that it takes two years to fatten a thin range steer into a good animal, and a year from the time a sow is bred until her pigs are ready for market.

At all recent official efforts to solve this meat problem (BW—Apr. 28 '45), this one is so involved in its many provisions that only the experts can comprehend them in full. But, in spite of the hair-splitting, the new rules are not too difficult.

Producer Subsidies—For the first time, the cattle producer—usually a Corn Belt feed operator—directly collects a subsidy. Previously he screamed that subsidies failed to trickle down to him.

As a brake on over-smart operators, new rules specify that to collect a subsidy the producer must have fed the animal 30 days or more. To insure feeding that will produce more meat, the cattle must weigh 800 lb. or more. To keep the money in the farmer's pocket, the rule says that the cattle must bring \$14.25 or more per cwt.

The trade guesses that this will put more cattle into feedlots, but that somewhat heavier cattle will result. Average weight of federally inspected cattle carcasses in the first two months of 1945 was 507 lb., against 523 lb. last year. An 800-lb. steer dresses out at 450 lb.

Subsidies \$3 to \$1.25—The packer subsidy on beef, effective June 4, rises 25¢ per cwt. but this shrinks at the rate of 5¢ per cwt. for each 5¢ drop in the dressed weight of all cattle he slaughters. New subsidies of subsidy to packers are, per live cwt., for Grade AA \$3 (up 25¢), A \$2.95, B \$1.90, all other \$1.25. This still is enough to let them break even on cattle, they assert.

On each 1,000-lb. critter grading AA, the government thus pays a total farm and packer bounty of \$35—in special instances, \$39. This means a Treasury charge of about 6¢ per lb. of beef consumed.

The hog subsidy to packers is boosted from \$1.30 to \$1.70 per live cwt. A 300-lb. hog, 210 lb. dressed, draws a Treasury bounty of about 2.4¢ per lb. of pork. Of this the farmer gets nothing. Packers claim their loss per hog is reduced, but still substantial. The 300-lb. limit on butcher hogs qualifying for the \$3 minimum price guarantee was removed this week.

Washington's expected increases in farrowed pigs are not borne out by a current survey by the Corn Belt Farm Dailies, which find no sign of an increase. Farmers' usual reason: "I haven't enough help to care for any more hogs than I raised last year."

Price Hike Clears Steel Picture

OPA's grant of higher ceilings ends a major uncertainty of reconversion, but Pacific war is still the big question mark. Small producers complain increase averages less than \$2 a ton.

The long-awaited OPA announcement of increases in steel price ceilings, totaling \$80,000,000 to \$100,000,000 annually over the 1944 level, was made this week, at least partially clearing the air of one major uncertainty surrounding the reconversion period.

• **Small Companies Protest**—But there are still several imponderables over which the industry and steel users must continue to sweat. Among other things, the increase left small steel producers wholly unsatisfied, as they claimed it averaged less than \$2 a ton on total output, against their asserted losses of up to \$9 a ton even before the recent fringe wage advances (BW—Dec. 2 '44, p16). They announced that "serious consideration" will be given to carrying their case to the Emergency Court of Appeals.

The price boost announcement,

promised ever since OPA made its interim price adjustments last January, now permits the industry and consumers to concentrate their interest on other matters in the over-all picture.

• **Big Cutbacks Awaited**—Still to be reckoned with are the military cutbacks prompted by the end of the European war. As yet, these have been but a dribble of anticipated cancellations (WPB has estimated cancellations will free some 2,500,000 to 3,000,000 tons from direct war use in the third quarter).

Balancing the easier supply situation which such cutbacks would bring are the growing need for steel for essential civilian purposes and the demand from producers of non-priority civilian items, who will be permitted to "scramble" for limited quantities of nonallocated steel when provisions of the Controlled Ma-



HEAVY TANK FOR HEAVY WARFARE

The answer to the German Tiger and to critics of the Sherman, former ranking American tank, is the Army's new 45-ton M-26, "General Pershing." Turned out in quantity by General Motors' Fisher Body Division, the "General" had already seen action in Europe before Germany's surrender. Featuring a high-velocity 90-mm. gun, torsion bar spring suspension, and improved traction, the M-26 is longer, lower, and more heavily armored than any other American tank. A muzzle brake that deflects flash and reduces air wash diminishes the chance of detection and safeguards the gunner's vision. With improved riding qualities and a top speed of 25 m.p.h., the new fortress, which can negotiate grades up to 60%, is undoubtedly slated for a big job against Japan.

terials Plan are relaxed on July 1. WPB will then "open-end" CMP by making steel available for civilian uses so long as military and other high-priority needs are met.

• **Reconversion Problems**—With its steel ingot capacity war-swollen to 95,500,000 tons capacity, 16% over the Jan. 1, 1940, capacity of 81,600,000 tons, and with a \$200,000,000 reconversion job ahead, the industry faces some major internal problems to realign its operations.

Principal reconversion work involves delayed repair and maintenance, and restoration of sheet steel mills that were converted to production of armor plate.

Such reconversion work as is immediately necessary, plus the inevitable lag that will follow hoped-for war contract cancellations and subsequent substitution of civilian orders on mill schedules, may be reflected in a 60- to 90-day drop in production from the level of 90% or better of capacity which it has maintained during the war years.

• **Sees 75% Level**—Thereafter, experts believe, the outlook is for production at perhaps 75% of capacity, possibly for several years. (Some set the output much higher, perhaps 85% to 90%.)

Walter S. Tower, president of the American Iron & Steel Institute, gives support to this forecast with his recent estimate that the initial postwar steel demand may be between 65,000,000 and 70,000,000 ingot tons. The 1944 output was 89,500,000 tons.

• **Up \$2 to \$7 a Ton**—The price increases approved by OPA covered 14 carbon steel products and range from \$2 to \$7 a ton. On five products—rails; galvanized iron and sheets, roofing, and siding; nails and staples, other than galvanized; carbon steel plates; and hot rolled carbon steel sheets—the increases replace or reaffirm the interim boost of \$2 to \$5 a ton authorized Jan. 11.

On the other nine—carbon steel blooms, billets, slabs, and sheet bar; carbon steel tube rounds and tube billets; tie plates; carbon steel hot rolled bars; carbon steel hot rolled wire rods; carbon steel manufacturers' wire and merchant-quality wire; twisted barbless wire and barbed wire; bale ties; and track spikes—the increases are the first since 1941, or before price control began.

OPA estimated the increases will amount to between 1% and 2% on basic steel prices.

At the same time, an amendment to the price schedule covering warehousemen and jobbers was issued. In general, it requires that resellers absorb all ceiling mill price increases except those authorized for carbon steel merchant-quality wire, bright nails and staples, twisted barbless wire and barbed wire,



SOMETHING WAS ADDED

The fighter plane turned bomber was a major U.S. Army secret that kept the Luftwaffe fooled for a year. In its elongated Plexiglass nose, the "Droop Snoot," a modified P-38 Lightning (above) carried the precision bombing equipment of a Flying Fortress, plus an ingenious device which enabled the bombardier to jettison simultaneously the bombs from all the "fighters" in the flight. The Nazis, concentrating fire on the heavy bombers, let the fast "fighters" go by on many missions before solving the mystery.

galvanized roofing and siding, and bale ties.

• **Depends on Pacific War**—Of greater moment than the price matter, even before OPA's latest action, has been the war with Japan. It will continue to be. Sudden ending of the war would precipitate a flood of military order cancellations. And the extent that war orders tie up productive capacity will be a major factor in civilian steel production.

Military requirements are traditionally overestimated to provide a margin of safety. And for that reason, cancellations may prove progressively tougher to pry loose from the Army and later the Navy, at least until the end is in sight.

• **Services Hike Quotas**—This trend is evident in the unscreened requirements for the third quarter of 1945. Claimant agencies are asking for more than 17,500,000 tons, greater than second-quarter allocations and 23% more than actual finished steel capacity.

The Army is seeking the lion's share, nearly 4,800,000 tons, but this and other requests will be slashed. What

quantities will be made available for peacetime consumption is an open question, but it is certain that civilian needs will not be sufficient to relieve the tight supply that is indicated for several months.

Another uncertainty of military origin, and one that WPB is said to be preparing to wipe out, is the position of some customers of holding places on steel mill schedules for shopping for new contracts. In instances, components manufacturers whose peacetime product is the same as that for which war contracts have been canceled, are doing likewise.

• **Transportation Is No. 1**—First choice of steel, after the military, is likely to be given to the transportation industry, farm machinery, and repairs and maintenance, observers believe. These in the essential civilian category will get allocations before non-users such as construction, automotive, refrigerators, and a host of others.

Evidence of this is in the WPB allocation of 1,339,588 tons of carbon steel for transportation needs in the third quarter. This was 87% of the amount requested by the Office of Defense Transportation, and compares with 1,000,000 tons granted in the second quarter. This allocation also will be favored because it is needed for food packaging purposes.

To absorb a possible lag in the transition from war to a part-war, part-economy, it has been proposed that steel ingots and even rolled material be piled. One chief objection to this plan, which has been considered by both management and the United Steel Workers Union, is the uncertainty as to the kind of steel which will be in demand.

• **Must Await Demand**—While standard items may be stocked, and improved products, partially the offspring of war-stimulated techniques, cannot be produced until and unless consumer demand arises.

These, incidentally, are expected to figure more prominently in future steel operations. They involve such things as increased use of steel in postwar homes as well as alloys that can compete with the light metals and with plastics.

A drop from total wartime operations if not too sharp, actually will be welcome (BW—Dec. 30 '44, p15). Full capacity requires operation of inefficient units. It also delays normal repair and maintenance. An ideal operating rate is generally fixed at around 85% of capacity.

• **West Has a Stake, Too**—But any decline in operations may well have to take into account the capacity of the war-built western plants, for the War Department definitely intends to keep the huge \$196,000,000 plant at Geneva, Ut-

available the \$80,000,000 Henry Kaiser plant in Fontana, Calif. The Geneva plant, now operated by U. S. Steel, attracts the interest of virtually every steelmaster in the country. Kaiser and Colorado Fuel & Mineral have indicated their intention to buy the property, although the best guess is that U. S. Steel will exercise its option.

Montana to Continue—Kaiser will remain as operator of his plant at Fontana, although built with the aid of a construction Finance Corp. loan, which Kaiser has in part retired, this plant is not a Defense Plant Corp. plant one to which Kaiser holds title. First, however, it is likely that the plant's chances for profitable operation are not so highly regarded by the industry.

Montana and Fontana, together with the added to existing properties, have added nearly 14,000,000 tons to the nation's steelmaking capacity in the past two years.

Pittsburgh Still Leads—All told, the re-building program, totaling some \$405,000,000, included \$1,310,000,000 spent by the industry and \$1,095,000,000 by the government. While new capacity dots the country and has raised the relative importance of the South and West, the geographical position of the producing districts remains unchanged, with Pittsburgh still in the lead, Chicago holding second, and Youngstown third.

The steel industry employs around 500,000 workers and has an annual payroll of some \$1,800,000,000. Largely unionized under C.I.O.'s United Steelworkers, its employees have seen the hourly labor rate rise from an average of 84¢ five years ago to \$1.23 at present. The average work-week runs close to 47 hours.

The postwar period of readjustment may see another clash with management. C.I.O. top leaders are insisting that the "take home" pay must not be reduced, and are pressing for a guaranteed annual wage (BW—Apr. 1 '44, p15). Steel companies will fight both proposals.

Concessions Held Unlikely—Labor costs, however, are expected to have a definite influence in forestalling any reduction of prices when operations resume a more nearly "civilian" status—unless, of course, the bottom drops out of demand and companies must fight for business. Another argument against price cuts is the peacetime loss of returns on "extras"—the higher priced types of steel that account for a sizable share of wartime orders, the added income from such operations as shell plants.

Concessions on official prices, a nor-

mal peacetime practice, probably will not be reinstated soon. One company is reported to have told competitors it will combat any such concessions by offering larger ones—and no one wants to start a price war.

Scrap prices, sensitive to steel demand, have shown a little weakness of late, but observers regard this as temporary, reflecting only the possibility of a slump in operations while the big shift of mill schedules from war to peace production is under way.

• **Unknown Quantity**—Inventories are not expected to exert much influence on operations or demand. While they are believed large—no one knows how large—a considerable portion is said to comprise specialized items for war purposes, good only for scrap in a civilian market.

Despite all the furore occasioned by vocal expressions of dissatisfaction over the current steel price setup, steel men say that industry now can make money, provided it can operate at 75% of capacity. Earnings will be half of what they were in 1937, or \$4 a ton against \$8 then. But given that production rate, with labor costs based on a 40-hour week at present hourly rates, and with the expected increase in labor efficiency which will come with the easing of the manpower situation, operations will at least be in the black after readjustment to peacetime operations is completed.

Pent-Up Demand

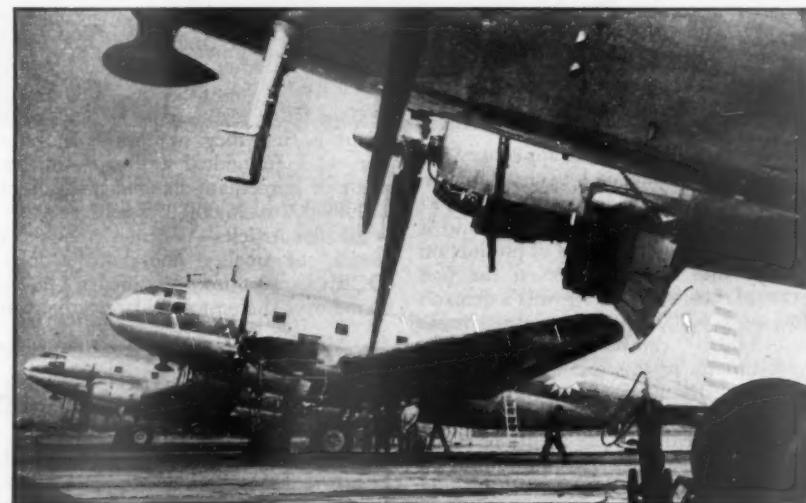
OCR survey indicates that immediate market for household appliances exceeds the annual prewar output in most cases.

Coinciding with the beginnings of "real reconversion," WPB's fourth survey of civilian requirements (BW—May 19 '45, p7) is of more than casual interest to business.

The survey is designed to reflect immediate "walk-in" demand for six major household appliances—radios, washing machines, refrigerators, sewing machines, vacuum cleaners, electric irons—and for such other household articles as appliance cords, scissors, flatware, alarm clocks, and galvanized ware. (A section on clothing and textiles is still being tabulated, will come along later.)

Figures from WPB's survey, one of a series by the civilian surveys section of the Office of Civilian Requirements, probably have more claim to validity than most estimates of postwar consumer goods markets. The work is done by trained researchers, with Census Bureau help and using the bureau's highly developed sampling techniques.

• **What the Study Shows**—The new OCR study indicates that the accumu-



MORE AERIAL SUPPORT FOR CHINA

Bearing the sunburst insignia of the Chinese government, C-46 transports receive finishing touches at the Curtiss-Wright Louisville (Ky.) plant before being turned over to the China National Aviation Corp. Diverted from U. S. Army quotas, the twin-engined Commandos will supplement CNAC commercial planes now flying about 2,000 tons of cargo monthly into China, as against 43,000 tons—all military items—flown in by Army Transport Command ships. A number of Commandos are being converted, which portends a sharp increase in the air freight China needs to combat Nippon and inflation.



Acting head of the Office of Civilian Requirements for the next month or so is A. C. C. Hill, Jr. (above). Appointment of his chief, William Y. Elliott, as WPB member of a commission to study Philippine rehabilitation on the spot started rumors. But there is every indication that he'll return to his old job, and Hill to his as OCR deputy vice-chairman if by then—thanks to reconversion—OCR hasn't outlived its usefulness.

lated demand for major appliances has snowballed in the past twelve months. In the case of radios, it has almost doubled. In every instance, demand is greater than any estimates of production in the first months—or even the first year—of reconversion. Against a demand for some 6,000,000 refrigerators, fewer than 600,000 can be produced in 1945.

Estimates of this immediate demand are drawn from answers to OCR's question, "Would you buy a . . . right away if there were plenty of everything in the stores?" This question is intended to exclude the potential demand of families whose plans are undecided, of those who will defer such major purchases (for patriotic or other reasons) until both wars are over, and of those who might later respond to the stimulus of hard-hitting salesmanship and product advertising.

• **Measure of the Maximum**—Estimates include those who, on further questioning, say that they would make a given appliance a second or third major purchase, and those who concede that after the goods were available they might see

a reason (usually financial) for waiting. OCR thinks its figures are a pretty fair measure of the maximum immediate demand; that the immediate effective demand may be somewhat less; that over a year's time demand may be considerably greater. OCR estimates reflect only the demands of individual households. They take no account of institutional and export demands.

In most instances, immediate household demand is greater than total production (including that for export and institutional use) in any prewar year (box, below).

• **The Radio Showing**—Radio manufacturers were disgruntled last year when OCR's figures failed to show a larger immediate demand. This year that demand is much greater, but it is still only about half of peak year production of household types for domestic use (some 4,000,000 of the radios produced in 1941 were auto radios—excluded from the OCR survey—or went into export markets).

OCR officials think that consumers' expectation of postwar improvements—such as television and frequency modulation (page 96)—may have restricted the immediate market for radios.

Some 90% of all U. S. families own radios, and many own more than one. Manufacturers' and distributors' inventories were large at the beginning of the war, and there has been a brisk second-hand market (913,000 families bought radios last year, all but 13% of them secondhand), hence demand has been fairly well satisfied.

The radio manufacturers' only comment is that they have little faith in surveys. Individual estimates in the trade of immediate demand range from 5,000,000 to 25,000,000 sets.

• **Smaller Articles**—When it comes to a variety of smaller household articles, OCR's survey shows less increase in demand over the past year, largely because

a driblet of new production has continued during the war, satisfying most urgent needs. The estimated immediate demand are (figures in thousands):

April, 1944

Appliance cords	No data
Window screening	4,805
Scissors & shears	3,961
Plated silverware	Not comparable
Alarm clocks	12,425
Clothes pins	No data
Outside garbage & ash cans	2,866
Galvanized washtubs	7,178
Galvanized washboilers	1,972
Galvanized pails	5,097
Wood or metal bedsteads	1,154
Chests of drawers	1,153

Where unsatisfied demand has increased—as with galvanized ware—shown no great increase, as with electric irons and many smaller items, OCR credits its own efforts in getting a wartime production.

• **Standard Models?**—Some WPB officials are using the survey's findings to bolster their arguments for holding manufacturers to production of standard models—which can be turned out faster—during the early months of reconstruction. Production of standard models probably will not be made compulsory, however. WPB, like OPA (BW-May 19'45, p19), hopes that most manufacturers can be persuaded to eliminate frills voluntarily and go easy on high-priced lines.

This will probably be OCR's last victory in the durable goods field (there may be more in textiles). As reconstruction progresses, the survey's section, whose primary job has been to measure shortages, will gradually be whittled down. It probably will not vanish entirely, however. Its function and personnel look like a natural for Henry Wallace's statistics-hungry Commerce Dept. (BW-May 12'45, p5).

Wanted Now: Household Appliances

Immediate demand for six major household appliances (demand that exists without stimulation by salesmanship or advertising) has been measured by the surveys section of the Office of Civilian Requirements. Demand is estimated in terms of households. The item-by-item comparison of 1944 and 1945 estimates of demand and 1941 unit production is as follows:

	Immediate Demand		Production 1941
	April, 1944	April, 1945	
Mechanical household refrigerators	3,827,000	5,852,000	3,500,000
Sewing machines	2,323,000	3,451,000	806,000
Vacuum cleaners	2,390,000	4,501,000	2,117,850
Radios	2,682,000	5,085,000	2,700,000
Electric irons	4,019,000	5,195,000	5,585,000
Washing machines	4,262,000	5,835,000	2,014,435

"Unforeseen events . . . need not change and shape the course of man's affairs"



HOW LONG IS YOUR MEMORY?

MANY A MAN recalls what took place after the last war. The things that happened to people and to business when the noise of battle was stilled.

Important among these was an upsurge of crime. Crime caused by violent changes wrought in the aftermath of war—psychological, physical and financial changes imposed on the lives of men. And it was crime of all kinds

— including employee dishonesty.

To meet the recurrence of like conditions after this war, The Maryland has a program that will be of interest to employers, large and small. It is a program of postwar security against employee dishonesty — and it is in operation right now.

This program protects a business from losses due to the dishonesty of *any* employee, no matter who he may be, no matter how long he has been employed. It is a surprisingly economical program that can be put into effect immediately. Ask any of the 10,000 Maryland agents or your own broker about it. Maryland Casualty Company, Baltimore 3, Md.



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Work flows with greater smoothness—greater speed—the moment you install EXECUTONE in your plant or office. Just press a button...and talk! Instantly, clearly, your voice is carried to the person you want to reach. Reports are made—questions asked and answered—with-out a man leaving his desk. Telephones are kept free for important outside calls. EXECUTONE INTER-COM SYSTEMS are sales-engineered, installed, serviced and guaranteed by factory-trained specialists in principal cities.

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Too Little Sugar

Only undisputed fact in controversy is that the stocks just won't go around. Cuts are coming all along the line.

Whatever the upshot of the running battle between Washington food-control agencies and the sugar industry—erupting publicly this week in a sizzling report of the House food investigating committee headed by Rep. Clinton P. Anderson, newly appointed Secretary of Agriculture—there will be less and less sugar for consumers during the remainder of 1945.

• **Stocks Decline**—The prospect this year is for 1,155,000 tons less sugar for Americans than in 1944. At the end of April, deliveries to U. S. refineries were 2,194,524 tons, or 192,000 tons more than in the first four months of 1944. But stocks in the hands of distributors, at 944,563 tons, were about 360,000 tons less than a year ago.

Refiners stand to be operating at less than capacity before the year is out, and consumers—private and commercial—will certainly get less sugar.

Allegations of mismanagement of the nation's sugar supply ricocheted in Congress, with the Office of Price Administration, the War Food Administration, the Commodity Credit Corp., and the Dept. of Agriculture, in general, all ducking the fast ones.

• **Many Issues and Answers**—In a complex argument that involves everything from manpower, prices, subsidies to competing crops, and from the weather to home canning, ship space, and military and liberated area supply, there are few clearly defined issues.

Starting with the unchallenged fact that there'll be too little sugar to meet minimum world demands, the big question of "Why?" could be answered in any of a number of ways.

The sugar industry arrayed an imposing mass of data and charged, among other things, that (1) OPA regulations inadvertently permitted the use of about 800,000 tons of sugar above the allocations planned by WFA, largely as a result of poor statistical estimates which have not yet been fully corrected; (2) the present scarcity of sugar can be traced in part to Washington's failure to take nearly 2,000,000 tons of Cuban sugar available in 1943; and (3) the current low output of beet sugar is due to incentives placed on other crops, and so far no counter-incentives to recoup this loss in 1945 have been offered.

• **Slow to Seek Remedy**—Of the answers to these charges, the weakest is OPA's

admission that, despite continued consumption by commercial users, home-canners, remedial measures slow in preparation. When the U. S. took only 3,225,000 tons of a potential Cuban crop of 5,000,000 tons in 1943, it was because ships could not be found to move more than that amount to the mainland. Besides, Cuba has failed to store surpluses on speculation, wanted a U. S. purchase guarantee.

Finally, cynical administrators say that beet farmers fought to keep their prices high, and that they did dies on their crops for two decades. The country face a sugar shortage in the other war—and then suddenly switch—particularly in California—to the crop that earned a higher wartime price.

The industry topped off its argument with evidence that government officials have maligned sugar as a luxury (in the interests of reduced consumption) and devoted too much time to allocation of stocks instead of trying to increase supplies.

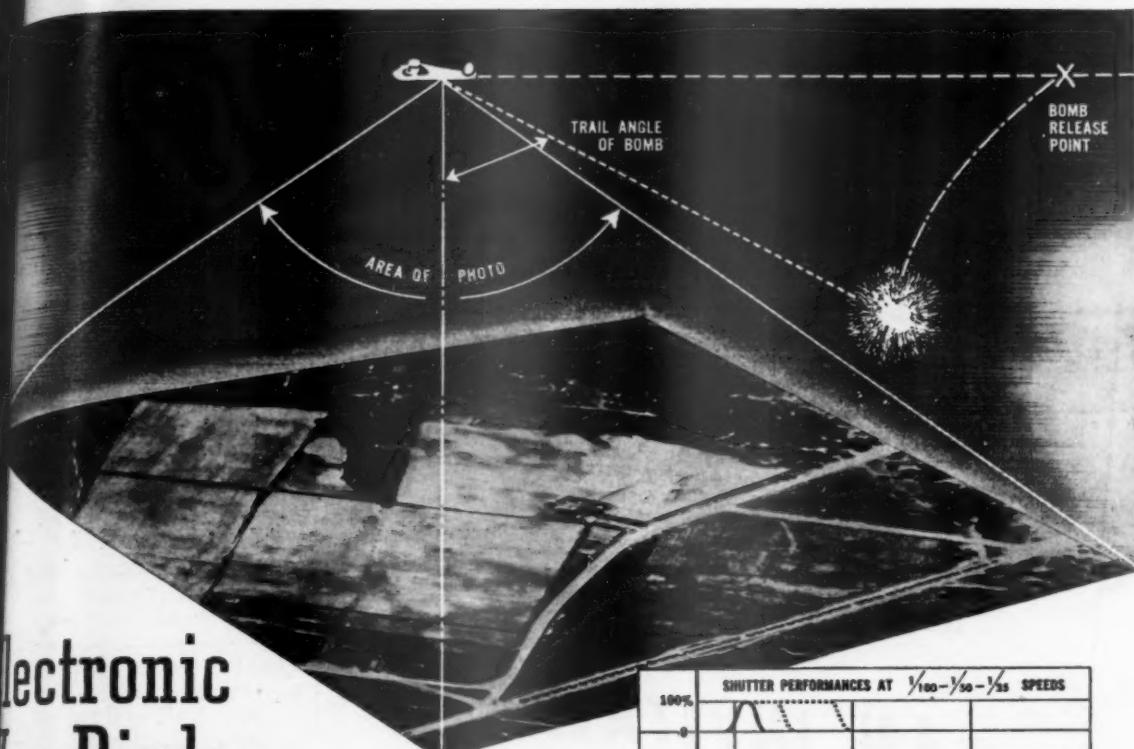
• **Production Slumps**—But the sugar industry is a lot broader than a Washington administrator's bailiwick. World sugar production fell nearly 10% between the crop years 1938-39 and 1943-44. Prices on which the Allies could buy sugar remained about 23,000,000 short tons.

But within the United Nations sugar house problems rose and recurred. The war brought a hike in costs, shortages of manpower and transport. The annual haggle over Cuban sugar prices was a standout event in the commo-



SWEET AND HIGH

In a package manipulated easily with heavy mittens, a four-oz. candy assortment is the latest wrinkle for giving quick-energy snack at great height. By sliding a drawer in the container, the candy is released into a fly-by-night mouth. Issued for long missions, the ration reputedly adds 5,000 ft. to fliers' altitude without an oxygen mask.



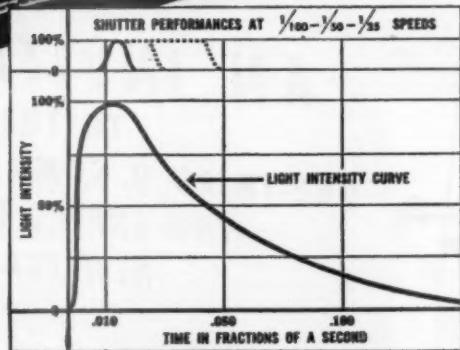
electronic War Birds

that pry into the secrets of the night

Night-time. A reconnaissance plane streaks over an enemy supply line. A flash bomb drops and explodes . . . night turns into day . . . a camera shutter clicks. And the secret of the long motor caravan, shown in the night photo above, is fully revealed.

How is it done? With electronic and mechanical precision skill. The plane may be flying at 1,000 feet, or 10,000 feet, or higher. A flash bomb is released to explode at a predetermined elevation. An electronic light-sensitive cell . . . on a Fairchild Night Aerial Camera . . . creates a voltage pulse in an electronic amplifier which causes the magnetic shutter to trip at the peak light intensity of the flash bomb. All elements of the camera and amplifier are so precisely coordinated that the entire action takes place over a timing range of 9 to 11 thousandths of a second. The action starts when the light intensity of the flash at the airplane is only a very small percentage of its peak brilliance . . . and ends as the flash passes its peak.

Precisionized electronic and mechanical skill ranks Fairchild Aerial Cameras with the world's finest professional cameras — cameras that every amateur dreams of one day owning.



This is a typical flash bomb light curve and camera shutter synchronization chart. Precise electronic coordination of the shutter action at the light intensity peak results in sharply detailed aerial night photographs.



Professional
AERIAL
CAMERAS





"NEW INDUSTRIAL PLANTS are definitely contemplated by almost one-third of the larger manufacturing firms in U. S., according to a survey by American Institute of Steel Construction.

"Among 673 firms with a credit rating of \$1,000,000 or more, 208 want new plants or considerable extensions for peacetime production.

"Many companies plan to discard older plants, to take advantage of wartime advances in engineering, equipment, design, machine tools and layout; a sharp tendency is noted toward one-story construction; also a movement away from congested areas to air, light and elbow room of smaller communities . . ."

As reported by *Nation's Business*

AN INVITATION TO THE ONE-THIRD U. S. MANUFACTURERS WHO EXPECT TO BUILD NEW PLANTS

NORTH CAROLINA is outside the congested areas, yet close to the nation's richest consuming markets—58% of the country's population is within a 600 mile radius.

Although the value of North Carolina's industrial products greatly exceeds the average of southern states, there are no large, congested industrial communities.

Tax trends in North Carolina are downward. An unexcelled network of highways and a splendid school system are already in existence.

There is an abundance of raw materials: Forest, mineral and agricultural.

Excellent transportation facilities by rail, highway, air and ocean ports.

North Carolina
welcomes new
industry; work-

ers are friendly, intelligent, cooperative.

There is ample hydro-electric power at reasonable rates.

North Carolina has an abundant supply of good water to suit the most exacting industrial requirements.

Climate is mild, permitting year-round uninterrupted production and affording savings in construction and operating costs.

If you are planning to build a new plant...investigate North Carolina. Our Industrial engineers will be glad to develop accurate information with regard to your operation in North Carolina, together with the best plant sites. Write 3325 Department of Conservation & Development, Raleigh, North Carolina.

NORTH CAROLINA

field. More than two-thirds of pected U. S. deficit this year can to the hurricane in Cuba last fall cut 1945 crop estimates from 5,000 tons to 3,950,000 tons.

• **How It Is Divided**—Of this the U. S. consumer is scheduled 2,500,000 tons. Cuba will retain 000 to 400,000 tons—about the amount it kept before the war rest—over a million tons—is can for Britain, Canada, liberated areas military requirements. (Before Britain took over 600,000 tons from Cuba but has boosted its output 1,000,000 tons during the war to help cut imports.)

Hawaiian production is estimated 850,000 tons, of which the U. S. will take 750,000. Puerto Rico will produce 850,000 tons. Louisiana and Texas will add 450,000 and 90,000 respectively.

• **Philippines**—Discounted—The sugar crop is expected to be 1,100 tons—up slightly from last year, but below the 1941 high—and might 1,300,000 tons if manpower is available for thinning beet fields. 300,000 to 500,000 tons of sugar expected from the Philippines is universally discounted and it is possible that some will have to be shipped to meet civilian needs.

With Europe likely to be beginning up to 1,000,000 tons, some cuts are going to have to be made all along the line.

Therefore, congressional recommendations call for a tuck in U. S. domestic rations, but would parallel this a cut in allocations to liberated areas and to the armed services for civilian use, and in home-canning handout.

LOGGERS' BACKLOG

Pointing up the continuing lumber shortage (BW—May 1945, p. 28), Central Procurement Agency, Office of the Chief of Engineers, revealed last week that military orders for lumber totaling nearly half a billion board feet remain unplaced because of the power shortage in the woods and mills.

The agency, which buys lumber for the Army, Navy, and other government units, said it has a backlog of unplaced business for 20,000,000 b.ft. of western pine, 151,000,000 b.ft. of southern pine, 200,000,000 b.ft. of Douglas fir, 40,000 b.ft. of redwood, 103,000,000 b.ft. of hardwoods, and 20,000,000 b.ft. of miscellaneous woods.

These figures actually represent a part of lumber requirements for war, it was explained, since many contractors buy independently of Central Procurement Agency. Its purchases run \$30,000,000 monthly.

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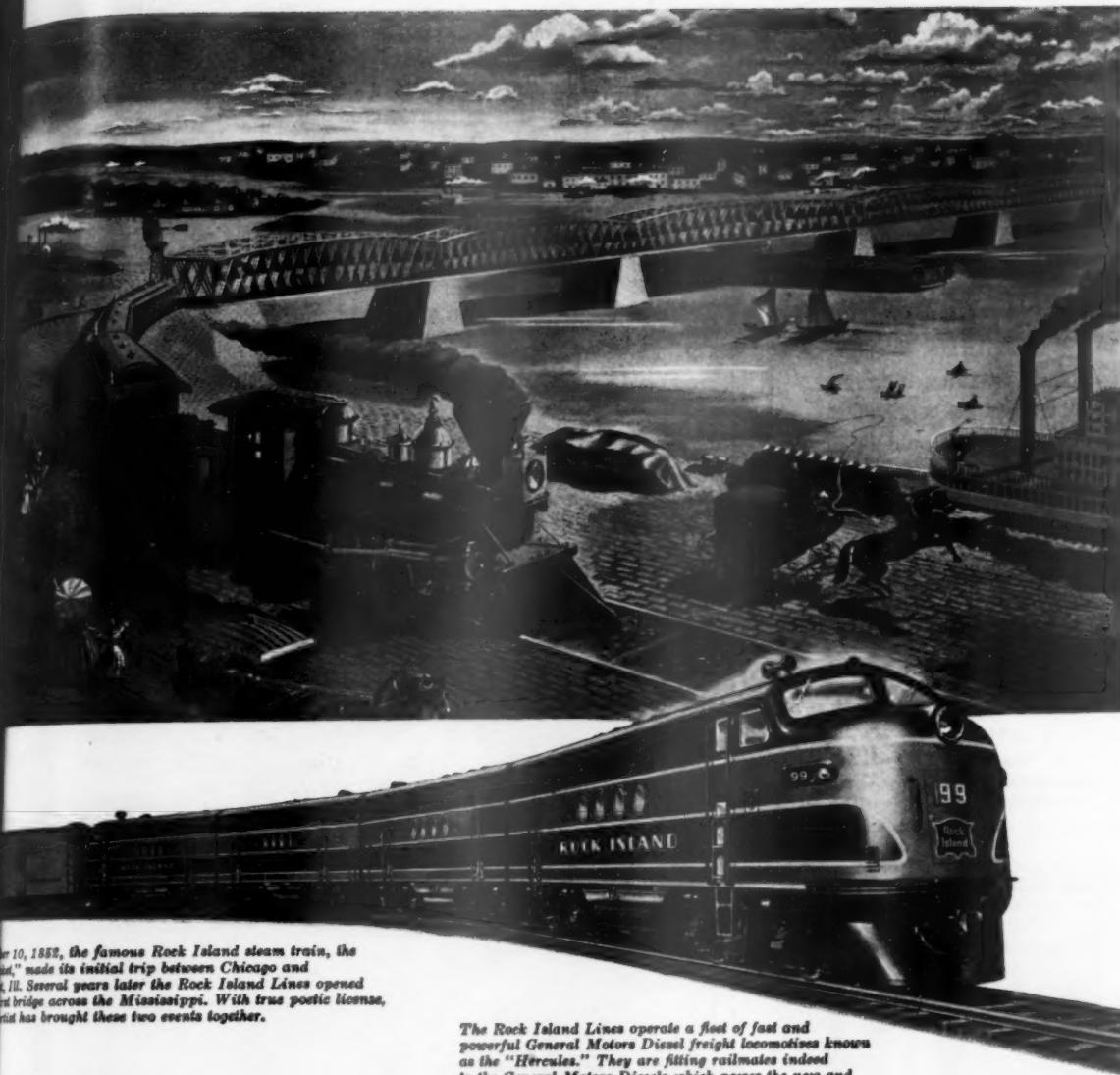
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On Oct. 10, 1852, the famous Rock Island steam train, the "Hercules," made its initial trip between Chicago and Alton, Ill. Several years later the Rock Island Lines opened their first bridge across the Mississippi. With true poetic license, artist has brought these two events together.

The Rock Island Lines operate a fleet of fast and powerful General Motors Diesel freight locomotives known as the "Hercules." They are fitting railmates indeed to the General Motors Diesels which power the new and modern Rock Island "Rockets" of today.

GREAT THINGS ARE HAPPENING IN TRANSPORTATION

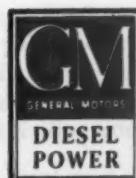
When people discuss travel you'll often hear mention of the big, powerful Diesel locomotives that are hauling many of America's crack trains.

You may, or may not, know that by far the greater number of these new and modern locomotives are built by General Motors. Railroad men know it. And they will tell you, too, how these amazing GM Diesels have changed all previous ideas of speed with comfort and

safety for passengers; how they have effected economies and efficiencies beyond all previous railroad experience.

It may be your good fortune to ride behind one of these passenger Diesels on your next railroad trip. Or, perhaps you have seen one of these powerful freight locomotives pulling a mile-long loaded train. If so, you'll know why it's a great new day for railroading—with even greater days to come.

ON TO FINAL VICTORY
BUY MORE WAR BONDS



LOCOMOTIVES ELECTRO-MOTIVE DIVISION, La Grange, Ill.

ENGINES . . . 50 to 2000 H.P. . . . CLEVELAND DIESEL ENGINE DIVISION, Cleveland, Ohio

ENGINES . . . 300-2500 H.P. . . . DETROIT DIESEL ENGINE DIVISION, Detroit 23, Mich.



Our policyholders cooperate with our safety programs not because it is a requirement, but because we demonstrate the saving in time, men and money so conclusively that they could ill afford to do otherwise. Let us present a few interesting examples.

Employers Mutual

LIABILITY INSURANCE
COMPANY OF WISCONSIN
HOME OFFICE
WAUSAU, WISCONSIN

Offices in Principal Cities of the United States
Consult Your Local Telephone Directory



In keeping with the MARYLAND tradition, here is an expensive beer which critics regard well worth the tariff.

IN LIMITED QUANTITIES
FROM COAST TO COAST

NATIONAL
Premium
BEER

by the
NATIONAL BREWING COMPANY
OF BALTIMORE IN MARYLAND

More Cigarettes

But civilian gains from the Army's curtailment of purchases won't be very apparent and they will not be felt for some time.

First glimmer of relief for civilians from the cigarette shortage appeared last week. The Army confirmed reports (BW-Apr. 28 '45, p8) that it would cut its purchases by as much as one-third.

• Requirements Change—According to the War Dept., this reduction amounts to 200,000,000 packs for the three months of May, June, and July. Reasons for the cut are the lowered requirements resulting from the end of the war in Europe and redeployment of troops, as well as the end of ship sinkings in the Atlantic.

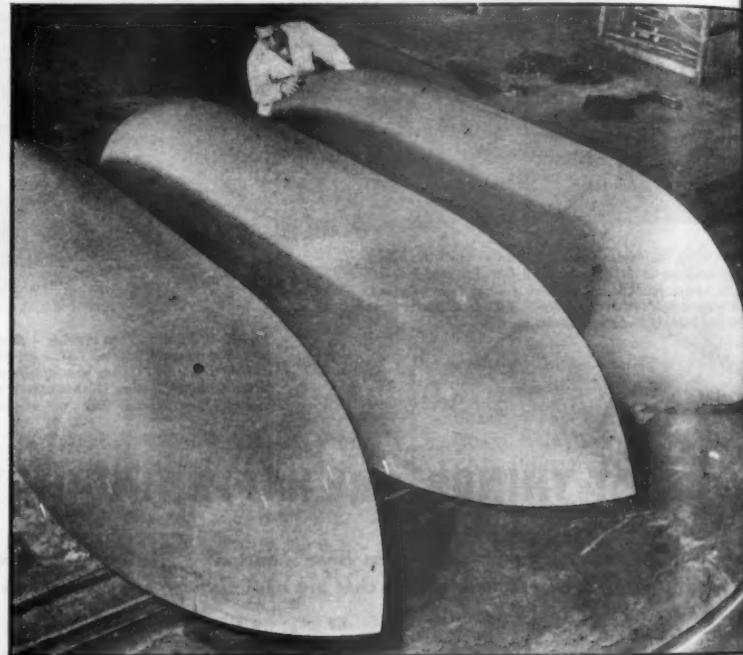
With all this in view, Philip Morris announced (the day before the Army made its cut official) a scheduled 50% increase in jobber deliveries beginning June 1. This will bring jobbers' quotas

up to 75% of the total delivered during the same months of. Other companies are expected to similar announcements.

The National Assn of Tobacco tributors, although optimistic concerning some easing of the cigarette age in the last half of 1945, point out that smokers may still be in line for popular brands even in December.

• Five More Packs Apiece—The back of 200,000,000 packs or four billion cigarettes, if maintained through the rest of the year, would mean about five more packs apiece per soldier. N.A.T.D. figures this way: Last the Army took about 80 billion cigarettes or about 27% of total production of about 300 billion (Feb. 17 '45, p21), so a cut of one-third in total armed forces' purchasing might no more than 10% to the supply available to civilians.

Cigarette manufacturing circles that what increase in civilian delivery is coming probably wouldn't be felt for two or three months, and then it would be tempered by the return of soldiers



LETHAL MISSILE FROM THE SKY

The deadly "nose," or explosive end, of the largest aerial bomb in existence—the eleven-ton Volcano—is made by Milwaukee's A. O. Smith Corp. When shortage of steel-casting facilities stymied English production of the British-designed missile, the job of making the nose fell to Smith, who, with other U.S. firms, had developed a way of rolling heavy steel plates into an accurate cylinder and welding the edges. With aluminum tail fins and guiding fins attached, the Volcano measures 25 ft. 5 in. As the bomb that smashed through heavy concrete walls of the U-boat pens, it bodes no good to Japanese industry.

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those who regard the record of the Tennessee Valley Authority as more than sufficient justification for an independent regional authority in every river basin are learning that TVA is not everywhere regarded as the last word in river basin resource development law.

Ickes' River Plan

National board to frame overall policy for development of river basins is proposed by Secretary of Interior.

Those who regard the record of the Tennessee Valley Authority as more than sufficient justification for an independent regional authority in every river basin are learning that TVA is not everywhere regarded as the last word in river basin resource development law.

Lesson by Ickes—Little red school house for this educational process is U.S. Senate, on which the Roosevelt Administration leaned for years support in its congressional battles liberal legislation and against raids its social gains.

The most decisive lesson was given by Secretary of Interior Harold Ickes, long without a peer in the field for public power, and a spark of any river development program.

Army Engineers Displaced—For years, Congressmen who sought to roll out the pork barrel for their districts called the Army Engineers for their help

in developing river and stream projects.

TVA changed all that by taking over an entire river, building not local water control works but inter-related works affecting an entire region, mass construction projects which required the expenditure not merely of hundreds of thousands of dollars but of hundreds of millions.

For a decade, TVA law has been required reading for members of Congress who aspired to do for their people what had been done for the residents of the Tennessee Valley.

Until recently, these legislators merely copied TVA law, changed a few names, and introduced their own bills. The Army Engineers worried about further inroads on their jurisdiction; the Associated General Contractors fumed at TVA's insistence on construction on a fee basis rather than by contract; the power business raved about socialization of industry and unfair competition.

• Murray Carries Torch—About the time that even the utilities had learned to speak of TVA in other than four-letter words, Montana's Senator James E. Murray took up the torch last summer for a Missouri Valley Authority, which he would have established by law, basically a copy of the TVA act, but making some additional provision for water sales and irrigation which, because of climatic differences, had not been necessary in the TVA law (BW—Aug. 19 '44, p8). Murray, staunchly supported by the St. Louis Post-Dispatch, recalled the words of the late President Roosevelt, who told Congress when he sent TVA legislation to it eleven years ago that if TVA were to prove a sound development, it could be duplicated widely throughout the land.

With the Post-Dispatch beating the

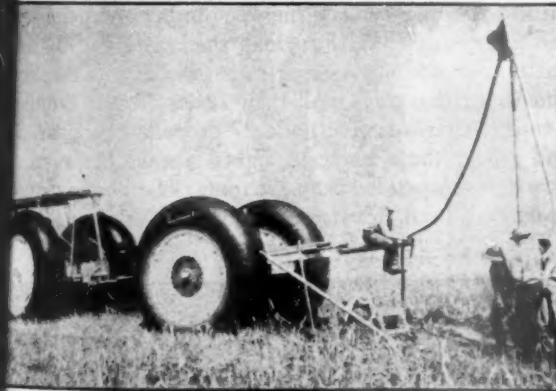
drum, valley newspapers, civic bodies, preachers, and politicians in large numbers went into a publicity campaign approximating, on a smaller scale, the job which was done on the New York World Fair. Congress, preoccupied with other matters, never got around to the bill (BW—Dec. 9 '44, p20).

• Too Much for Ickes—Early this year, Murray reintroduced his MVA bill, still basically the TVA act, but considerably broadened by inclusion of the basic principles of U.S. reclamation law on disposition of government-irrigated land—limit: 160 acres to a customer.

This was too much for Ickes, who feels that resource development should be controlled by the Interior Dept. Western senators, who had won an important battle in the war over water control and use when they included in the flood control bill of 1944 a policy declaration providing that western water shall be used primarily for irrigation and other beneficial consumptive use at home rather than for navigation and power downstream (BW—Jun. 24 '44, p42), got together with Ickes for a counterproposal to the Murray bill, which was anathema to many of them.

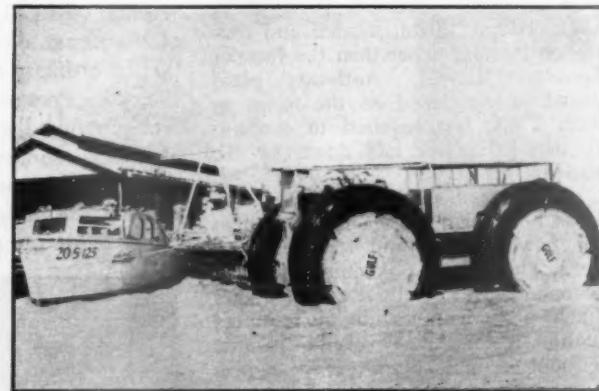
• Death Blow Dealt—The result was a draft of an authority bill which Ickes recently laid before the Senate Commerce subcommittee which reported adversely on Murray's MVA bill (BW—May 12 '45, p7).

In his testimony, Ickes probably did more than any other witness to kill the Murray bill, which is still to be studied by two more Senate committees before it gets to the Senate floor (BW—Mar. 31 '45, p26). Ickes told the committee that he favored without reservation the principles of resource development by regional agencies, then



EASY RIDING ON UNCHARTED ROADS

Sporting 10-ft. tires, the newest swamp buggy for Gulf Research & Development Co. will continue in Nicaragua in the search for new oil fields. Equally at home on land,



marsh (left), or water (right) the rig is similar to two others exploring Louisiana, Texas, and Florida swamplands. Its water speed is 4 m.p.h., on land better than 20. Buoyancy is provided not only by the tires but by hollow, aluminum wheel drums—all products of Goodyear.

gave lengthy reasons why the Murray bill would bring results "far short of the promised goal."

Speaking directly of TVA, Ickes declared it had done a good job, but implied that it had been possible only because of the help which existing government agencies—mostly Interior subsidiaries—insisted on giving it; assistance, he said, which "was not always accepted by TVA happily."

• **Overlaps Cited**—Authority legislation, Ickes went on, must contain "some element of compulsion to insure efficient collaboration between authorities and the rest of the federal government." He added that "even today, there are some fields of endeavor where needless and expensive overlaps exist between TVA and other government agencies." The TVA principle of control by a three-man board Ickes decried as a "poor vehicle for the performance of administrative and executive functions."

Having delivered himself of this testimony, Ickes produced his idea of what authority legislation should be. This suggests that the TVA law, though still required reading for resource developers, is now just a primer instead of a standard work.

• **Basic Charter Proposed**—Ickes' bill, not yet formally introduced but widely copied in several authority bills recently presented, is a broad charter for regional development by regional authorities.

Specific authorities would be created merely by adding a few paragraphs to the basic charter. All the TVA powers are there, many of them broadened considerably, and the bill carries additional powers.

• **Ickes Would Control**—To insure efficient collaboration between authorities and the rest of government, Ickes would put authorities under a River Basin Development Board, headed and controlled by none other than the Interior Secretary himself. Authority plans would be developed on the scene, as with TVA, but required to conform to national policy laid down by the national board.

Authorities chartered under the Ickes bill would engage in more than the power, water, and fertilizer business. They would be required to make economic and technological studies aimed at developing fully all resources of the region. They would acquire, without reimbursement, any surplus property held by the government and use or operate it in the interest of the region.

• **Broader Powers**—With respect to power, the Ickes authorities would have all TVA's jurisdiction and more, and could even operate distribution systems

acquired from electric utilities under terms broader than those which have heretofore circumscribed government operations in local distribution of electricity as opposed to its overland transmission.

Apparently worn down by the electric power industry's complaints about the tax differential between public and private power operations, Ickes would require his authorities to pay personal property, business, franchise, excise, and similar state and local taxes on expropriated power facilities equal to those that would be paid were property to remain in private hands. While Ickes' tax-equalization proposal fails to cover federal and state income taxes, it goes far beyond the payments made in lieu of taxes about which TVA has bragged for years.

• **First Effective Attack**—There is no telling exactly how far Ickes' bill ever may go, if it is introduced. But it is inescapable that Ickes has made almost the first effective attack on the infallibility of the "TVA concept."

The Murray bill, a TVA reprint, is practically dead as a result of Ickes' attack, even though a Missouri Valley Authority, in some form, is not.

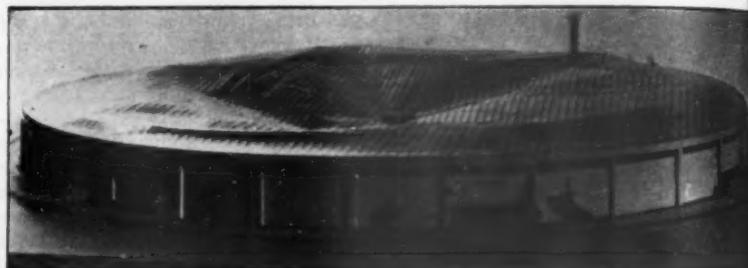
Mills for Sale

Government will wind its venture in hosiery co-Dexdale, contract operator expected to bid them in.

When the government was creating work programs in 1934-1935, it hit upon the idea of financing five mills to provide additional employment for low-income southern families. Cooperation with the rural resettlement program of the Interior Dept.'s Sentence Homesteads Division, five mills were set up near public housing projects, the last being completed in 1943.

In 1943, a House special committee, after a series of hearings, recommended that government cooperative projects should be liquidated, and in 1944 the agencies involved began making plans to sell the five mills.

• **On the Block**—Last week the Federal Public Housing Authority advertised for bids on the physical properties of three of them—at Bankhead, Ala., Cullman, Tenn., and Eleanor, W. Va.



POSTWAR ROOF ON THE AIR

Covered by a roof that is held up by the air under it, the proposed Baltimore stadium offers all-weather utility with unobstructed visibility. Made of sheet aluminum alloy less than one-eighth of an inch thick, the roof is "blown up" by ordinary ventilating fans from a convex state (above) to a neat dome (below). Pressure and ventilation are supplied by seven electric centrifugal fans (equipped with emergency gas engines) and 17 propeller-type fans. The aluminum surface will reflect the fluorescent lights around the eaves and the high-power mercury lights suspended from the roof. The building, to seat 100,000, was designed by Plan-Tech Associates, New York, for H. H. Stevens Jr., inventor and patentee of the roof construction.



Mr. Friendly and the Workman whose face froze that way

Handy was coming to work and got nipped by a horse. Just in the pants. Didn't hurt Ed a mite. But he entered the shop with his mouth open and his hair end. And it stayed that way!

We tried to help but couldn't. Even J. P., the boss himself, didn't.

Ed stood there like a gargoyle, when in walked Mr. Friendly. "Don't you worry, Ed," he said, "this won't hurt!" He waved piece of paper . . . and back came Ed's own ever lovin' smile! "W-W-What the . . . How in the . . .?" said J. P.

"Nothing to it," Mr. Friendly smiled. "Ed was worried about a off-the-job horse bite. What would happen to his family if he'd been laid up with no pay and bills kept coming in? because of an accident on his way to the plant?

He needed a look at this American Mutual Group

Accident and Health Insurance contract. It stops these worries . . . pays doctor's bills . . . hospital expenses . . . everything when a worker has an accident *on or off the job*. What a builder of plant morale!"

Well, sir, that was enough for J. P.

"Quick," he said to Mr. Friendly, "that contract!" He put his J. P. on it quick as lightning.

"Wow," said Ed Handy, "lucky for the boys you happened in today, Mr. Friendly!"

"Lucky for me!" said J. P. "Lucky for me!"

P. S. If you have any frozen faces in your plant, you'll be mighty interested in American Mutual's wonderful new group Accident and Health Plan. Experts say it's a whiz . . . you read it in 10 minutes. Write for your free copy! Dept. B-14, American Mutual Liability Insurance Company, 142 Berkeley Street, Boston 16, Massachusetts.



AMERICAN MUTUAL... the first American liability insurance company

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AMERICA DRINKS ITS WATER FROM PAPER CUPS — SAFELY



Only in America can we enjoy safe drinking water everywhere . . . wise management in Department Stores and other public places caters to customer and employee approval by providing one of these four famous paper cups at all water fountains.

Ajax **PAPER DRINKING CUPS**
ALSO AERO COLUMBIAN PEERLESS



LOGAN DRINKING CUP CO.
Worcester 5, Mass.

PACIFIC COAST ENVELOPE CO.
San Francisco 7, Calif.

Divisions of
UNITED STATES ENVELOPE COMPANY

properties that FPHA acquired from Farm Security Administration, previously had taken them over Subsistence Homesteads.

FSA already has sold the Pender County, N. C., to Dexdale Milling Mills of Lansdale, Pa., which has been operating the five mills under contract. A deal, presumably with Dexdale, for sale of the fifth mill, which is located in Scottsboro, Ala., is pending. FSA handled negotiations for the Pender County and Scottsboro mills because they also involved farming aspects.

• **Loan Totaled \$750,000**—Dexdale loaned \$603,619 for the Pender County mill, on which the government invested \$582,680 for buildings, site, and machinery. The total government loan to this project was \$750,000.

Plant and machinery investments in the other mills: Bankhead, \$267,000; Crossville, \$589,003; Eleanor, \$59,000; and Scottsboro, \$409,768.

FPHA will receive bids on the head, Crossville, and Eleanor mills through 2 p.m. June 5.

• **Expected to Buy**—Although the Dexdale company won't say whether it will bid on the other mills, the trade expects that Dexdale will be the buyer. The Pennsylvania company holds a contract for management which cannot be abrogated, and any other buyer would have to get Dexdale's permission to operate the mills.

The trade also believes that if Dexdale was willing to buy the Pender County mill, it certainly would buy the other plants, which are considered desirable properties.

Dexdale reports that the mills have been efficient and profitable, that production difficulties have been caused by shortages of rayon. Wage scales are almost the same as those paid at Dexdale's northern mills. The southern plants are not unionized.

GAS EXPORT REFUSED

Texas, which has been waging a long fight to keep its natural gas at home for its own industrial development (see Jan. 6 '45, p21), won at least one round last week, when the Federal Power Commission in a 3-to-2 decision ruled that construction of a pipeline to carry gas from Texas into Mexico was inconsistent with the public interest. It refused to approve the application for such a line, made by the Reynosa Gas Line Co. of Texas.

Plans called for a line to run from the wells of the La Gloria Corp. in Hidalgo County to Reynosa, Mexico, and on to Monterrey, where the gas was to be purchased by Gas Industrial de Monterrey.

Postal "Profit"?

Congress again will have to decide whether department's plan is to make money in the business sense.

Post Office Dept., handling about 100,000,000 pieces of mail a year and a billion-dollar-a-year business, is trying to make its third annual profit in 25 years. But it is losing so much money on all but three of its services that sharp rate increases are being considered.

Senders of parcels, catalogs, and publishers of magazines and papers; and business mail users will be hardest hit if Congress adopted the department's proposals.

Where the Pinch Comes—The three services having an excess of income over expenses are first-class mail, air mail, and savings. The biggest loss last year was \$9,000,000 on second-class mail (newspapers and magazines), which had revenues of \$26,851,000. The trade in third-class mail (circulars and books under 8 oz.) was \$26,385,000, which holds a revenue of \$60,422,000. Fourth-class (merchandise) losses totaled \$12,000, with revenues of \$187,980,000. Had there not been an excess return of \$79,620,000 on first-class and air mail and \$15,482,000 from postal savings, the foregoing deficits would have had to come out of direct taxation.

Accounting Factors—Even this measure of what the department regards as profit may be partly illusory because, as Mr. Queeny (chairman of Mon-Chemical Co., to whom postal scales are wont to refer as their "great aid") pointed out, postal accounting should take into consideration that:

No depreciation is taken on a building from general funds.

New facilities are built by special

Fire damage is repaired from new

No pension provisions for employees are provided from postal money. No taxes are paid.

Up to Congress—Whether or not the Post Office should make a business profit, or even break even, is a highly controversial question for Congress to decide. Studies are being prepared and presented to the House Committee on Offices & Post Roads by Charles H. Weiss, retired comptroller of American Telephone & Telegraph. Postmaster General Frank C. Walker called in a year ago to make impartial recommendations. The appointment of Robert Hannegan to succeed Walker is

THIS 21-POUND RAM



That's rugged, compact, activating power—the kind found in Blackhawk *High-Pressure Hydraulics*. We have developed and successfully applied hydraulic systems that operate with internal pressures up to 10,000 pounds per square inch, which is TEN TIMES greater than those often found in ordinary hydraulics. This has been accomplished through spe-

cialized engineering of hydraulic rams, pumps, valves and connections—co-ordinated in complete units to handle these *Super* high-pressure. For this reason, hundreds of equipment manufacturers depend on Blackhawk Hydraulics for activating power—why Blackhawk is regarded as "Hydraulic Headquarters."

Compactness and Adaptability Give You These Exclusive Advantages in BLACKHAWK *High-Pressure HYDRAULICS*

- **LOWER COST**...because you get greater power in a more compact unit requiring less materials. Installation and engineering time is reduced in fitting into modern products.
- **LESS FRICTION**...means greater efficiency and consequent reduction in operating effort.
- **LONGER LIFE**...means less maintenance and replacement cost.



Each of these rams will lift the same weight, but the *High-Pressure* Blackhawk Ram is much more compact than the low-pressure ordinary ram.

Blackhawk is a dependable source for Hydraulic Units in large quantities. Submit your hydraulic questions to us. We will work with you in confidence.

Write **BLACKHAWK MFG. CO., 5300 W. Rogers St., Milwaukee 1, Wis.**

BLACKHAWK

High-Pressure Hydraulics



Incredible savings!

When you realize a Hancock "500 Brinell" Bronze Valve outlasts an ordinary valve from ten to twenty times, it is easy to see the enormous savings earned by using Hancock Valves.

Over long years, it means stoppage of production for only one installation instead of ten to twenty. Repair costs dwindle to nothing.

The seats and discs of Hancock "500 Brinell" Bronze Valves are so hard that nothing even scratches them—not scale, pipe turnings nor any foreign matter that may get into the line.

So perfectly do the mirror surfaces fit that when the valve is closed they are as tight as if welded together.

For difficult conditions where service must be continuous and any stoppage is a serious loss, it is common wisdom and great economy to install Hancock "500 Brinell" Bronze Valves.



Stocked and sold by leading distributors everywhere. Write to them or to us for full information.



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MANNING, MAXWELL & MOORE, INC.
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Manufacturers of Brass, Copper, Aluminum, Zinc, Copper-Alloy, Lead, Zinc, Tin, Steel, and Monel Valves and Accessories for Industrial Applications. Distributors of Flow-Bloc, Copper, Brass, and Lead fittings.

not expected to change the program.

One thing that bothers the department's budget directors is that Congress in 1928 stipulated that fourth-class mail revenues should be enough to support the service. They never have. Parcels (fourth-class) weigh $\frac{1}{2}$ lb. to 70 lb. and are generally profitable for distances beyond the fourth zone, 600 miles, but unprofitable on short hauls. Most parcels go less than 600 miles, and Railway Express competes successfully on long hauls.

• **Wartime Gravy**—The Post Office has picked up some gravy during the war. With millions of parcels going overseas, the Post Office carries them (in bulk loads only) to a U.S. port where the Army and Navy take over. When the troops come home, this profitable delivery arrangement will cease, and fourth-class mail deficits will mount.

The department has recommended that rates be increased on parcels up to 20 lb. in the first four zones, and slightly reduced beyond.

Another proposal is the restoration of the 2¢ rate to local letters, but the 3¢ rate on other letters is not likely to be disturbed.

• **Third-Class Mail**—The survey of third-class mail isn't ready yet. This has led to protests by the National Council on Business Mail against what it calls piece-meal doctoring of rates. The council is naturally opposed to an upward adjustment. Current labor shortages have stiffened the objection of postal officials to continuing distribution of third-class mailing pieces at a loss.

A breakdown of returns from first-class mail shows that business reply prepaid mail brought in an excess over regular postage rates of \$1,187,960 in 1943. Cards returned numbered 38,017,516, envelopes 80,778,564.

• **Newspapers and Magazines**—Congress probably will not support a hike in second-class rates on magazines and newspapers. Present rates benefit almost 25,000 publications, among them all the small city dailies and country weeklies. The basic rate was established in 1879 for the dissemination of public information, to promote science, the arts, and literature. Newspapers then were four-page affairs. Today's bulky journals ran up a total of 1,424,417,529 lb. last year.

Critics of present second-class rates point out that radio, telephone, and movies, which have become purveyors of information since 1879, share no similar benefits. Publishers reply that this very competition has weakened newspapers, forced consolidations, encouraged cheaper products—and that the press, if it is to be preserved, needs the low postal rates more than ever.

Since fewer than 50 big newspapers

Fewer Routes: More Mail

Complaints that rural delivery routes are being abandoned are the result of what the Post Office Dept. considers necessary consolidations, usually because of improved roads and carrier mobility.

During the fiscal year ending June 30, 1944, 148 rural routes were discontinued; 19 of these became city delivery routes. At the same time 81 new rural routes were established, leaving the reduction 67.

Despite this apparent cut, mileage covered by the 32,000 rural carriers increased 4,319 miles to a total of 1,428,475 miles, which served 29,373,117 paths or 53,770 more than the year before. Costs increased from \$812,942 to \$104,588,780.

and magazines pay one-third of their second-class revenues, it is probable the small fry will have adequate representation in the fight to preserve the rates.

• **Penalty Mail**—Free services performed by the Post Office would have cost nearly \$126,000,000 last year if at regular rates. The bulk consists of so-called "penalty mail," letters and packages up to 4 lb. which government agencies send out marked "Penalty for use." Penalty mail had a volume equivalent to \$124,549,269 of postpaid mail last year; congressional franked \$730,000; and mail for the blind, \$000.

Contributing to the Post Office's revenue are sales of motor vehicle stamps, hunting license stamps, and a tremendous volume of war bonds (\$563,578,568) and war savings (\$405,219,321), to cite figures for the fiscal year ended June 30, 1944.

Another war job is the writing and transmitting of \$2,000,000 of money orders a day (\$730,000,000 a year) in military post offices.

• **Money Order Deficit**—The money order business ran into a deficit of \$8,000 last year on the \$4,500,000 written. Fees, which were raised in 1943, have been lowered again to meet bank check competition, and new postage notes were introduced in February. These notes cost a flat 5¢ each with a \$10 face value, save clerks' time, dispense with waiting in line, and are punched with holes for automatic business machine accounting.

There are 42,157 postoffices. Employees number 375,000. Only 10,000 make more than \$4,500 a year, and

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IT PAYS 3 WAYS TO

SHIP BY TRUCK!

TRUCKS

GIVE YOU SPEED, SAFETY,
CONVENIENCE NO OTHER
TRANSPORTATION CAN MATCH!

And right here's the

Convincing Proof!

LESS DELAY!

When trucks start rolling—they keep on rolling! They're never "side-tracked"! You get the shipment you want—when you want it!

LESS JOLTING!

Trucks roll smoothly—on wheels of rubber. No jolting "starts" or "stops"—no "switching" or "humping" to smash fragile shipments.

LESS LOSS!

With so much less loading—chance of costly loss is slashed right to the minimum.

LESS HANDLING!

Goods travel from shipper to consignee with a minimum of reloading. Needless wear and tear of rehandling is wholly eliminated.

LESS SPOILAGE!

Because trucks travel direct routes—goods arrive faster, fresher—and therefore sell much better. There just isn't time for spoilage!

THE AMERICAN TRUCKING INDUSTRY
AMERICAN TRUCKING ASSOCIATIONS, WASHINGTON, D. C.



EVERY MILE FREIGHT TRUCKS ROLL BRINGS VICTORY CLOSER

This kind of thinking established Leadership



Aluminum Ore Company's research men have moved into their new laboratory. Here they will continue the development of alumina products.

These are the men who quickly developed a new method for using lower grades of bauxite in those dark days when a shortage of alumina would have threatened the war effort. In this streamlined pilot plant, further improvements are being studied; new grades and forms of aluminas are being developed for use as drying and purifying agents for liquids and gases, as catalysts, and catalyst supports, in ceramic and refractory materials, and for other industrial application still undiscovered.

ALUMINUM ORE COMPANY, subsidiary of **ALUMINUM COMPANY OF AMERICA**, 1935 Gulf Building, Pittsburgh 19, Pa.



Scenes in Aluminum Ore Company's new laboratory, East St. Louis, Illinois

ALUMINUM ORE COMPANY

Aluminas and Fluorides



has had a raise in salary since. Operating revenues are \$1,300,000. The number of dead letter year was 15,470,000; dead parcels 000. Railroads got \$130,154,700 transportation. Domestic plane got \$28,401,373. The number of savings depositors was 3,750,000. Deposits totaled \$2,500,000,000.

• **For the Future**—Plans for the include further development of mechanical devices for handling weight-rate-zone scale is one of and, as soon as manufacturing begins, a stamp-vending machine won't charge customers a 1¢ price for 4¢ worth of stamps, as privately owned machines do.

Depots Spared

Chicago rail officials win reprieve for landmarks by ping bill designed to give a modern consolidated sta

Chicago railroad officials are breathing more easily. In feverish conference last week they sidetracked a bill in Illinois legislature to create a Chicago Terminal Authority with extra broad powers. If it had passed executives feared that a political mission would have them by the hair.

The bill would have empowered authority to condemn any of Chicago's terminal buildings. It could also built new consolidated freight and passenger terminals, and could have pelled the railroads to use these facilities at fees set by itself.

• **What Was Intended**—Nobody any doubts of the legislators' aim. Chicago's six railroad passenger stations adjacent to the Loop, only the Union and the North Western are less than 40 years old. The four so-called Sub Side stations—the Illinois Central, La Salle, the Dearborn, and the Central—Central—are antiques.

Owners and tenant roads con that the old depots perform their tions of loading and unloading passengers, baggage, express, and mail about as efficiently as could modern buildings and, depreciated values sidered, substantially cheaper.

City planners and other groups ter with statistics showing aggre interstation mileages rolled up daily taxis and transfer buses. They p to walkways usually cluttered with trucks and otherwise encumbered impediments to pedestrian passen

• **Prospective Monument**—Obvi pose of the legislators was to tear

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Lessor Has His Day

In the abyss of the depression, chain outlets contrived many stratagems to break leases in high-rent but no-business districts.

The cycle has come to a full turn; lessors no longer fight to hold tenants, may even find it profitable to seize an opportunity to cancel.

The Childs Restaurant Co. had a lease running until 1947 on New York City property at which it had operated a restaurant for 40 years. A clause provided for cancellation if the tenant was adjudged bankrupt.

This week the U. S. Supreme Court affirmed a lower court decision which held that a voluntary petition filed by Childs under the Bankruptcy Act constituted an adjudication of bankruptcy—and forfeited the lease.

These rookeries and substitute a shiny new consolidated passenger station that would eliminate most of the transfer baggage. Also it would be a political monument to the strange coalition of publican Governor Dwight H. Green and Democratic Mayor Edward J. Kelly, monument erected and maintained by the railroads' expense.

Rail executives were preparing a fight to the finish when Chicago's Mayor Kelly agreed to call off his majority in the state senate, which had passed the bill through preliminaries with such speed that the roads were right almost flat-footed.

Kelly promised a substitute measure that will call for a five-member Transportation Terminal Commission to make an 18-months' study of "the possibility and feasibility of public ownership and operation" of terminals. Rail men need to support this program.

OMAHA REJECTS BUTLER

Most vociferous opponent of proposals for Omaha to buy Nebraska Power Co. from the group of Nebrascans who purchased it under a pledge to turn it over to a public agency for operation (BW—May 19 '45, p 38) was Omaha's mayor, Dan Butler. Butler argued that the group had paid \$10,000 too much for the property, insisted on condemnation proceedings to bring the price down.

Last week Omaha voters swept out of office four city commissioners, who had been with Butler, and gave the mayor the worst defeat of his 40-year political career. While it could not be said that

RAILROAD MEN KNOW THE VALUE OF TIMKEN BEARINGS



COPYRIGHT 1945 BY THE TIMKEN ROLLER BEARING CO.

TODAY the great majority of the well known streamlined trains on which you ride so smoothly and luxuriously are equipped with Timken Roller Bearings. This advanced product eliminates hot boxes, wipes out excessive repair costs and delays, keeps rolling stock in operation.

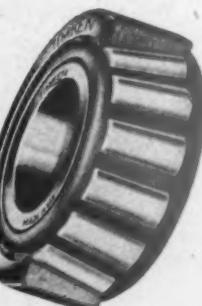
When peace reigns again, vast improvements are in store for freight cars. For here too, Timken Bearings can effect the same economies and provide the same advantages which are today in such great evidence on the modern streamliners. Tapered Roller Bearings are only genuine Timken Bearings when the trade-mark "Timken" is stamped on each bearing. The Timken Roller Bearing Company, Canton 6, Ohio.

*Timken Bearings, Timken Alloy Steels and Tubing
and Timken Removable Rock Bits*

TIMKEN

Trade-mark Reg. U. S. Pat. Off.

TAPERED ROLLER BEARINGS



**"ALL THERE IS
IN BEARINGS"**

May we interrupt...?



We can assist you with your post-war plans

If you are thinking of the multi-story building you will build when the war is over — or

If you are among the thousands of progressive property owners and building managers who are thinking of modernizing their vertical transportation system when labor and materials are available —

We suggest that you get the planning behind you now as we have learned by experience that the preliminary plans for an

elevator or escalator installation often take more time than is required for the manufacture and installation.

Your Otis representative is ready now to help you develop your elevator plans . . . to make preliminary studies and recommendations.

Call him today and be assured of the last word in vertical transportation tomorrow.



the power issue was the control factor, everyone agreed that it played a big part in the result. Butler ran in a field of 14. Only candidate to get fewer votes than Butler was E. E. Leerington, bus driver and newcomer to the political scene.

The new council names one of members as mayor. Charles W. Leeman, Omaha insurance man, who served as chairman of the city's downtown ration board is expected to get the post. Leeman is known in Omaha as a man of many neckties, has 1,000 of them, never wears same one twice.

SHIPYARD BOTTLENECK

For the next 30 days, or until 1,600 qualified workers are obtained every man applying to the United States Employment Service's eleven offices in the Philadelphia area, either voluntarily or on referral, will be routed to the Philadelphia Navy Yard.

Two huge aircraft carriers, the Valley Forge and the Princeton, must be completed there six months ahead of schedule, because of stepped-up action in the Pacific. The big carriers were already lagging in production, and temporary manpower shifts within the yard failed to solve the delay.

Conferences of Navy, War Manpower and Civil Service Commission officials resulted in an agreement to give the project a No. 1 manpower rating, the first during the war in the area which is still in the critical category for other war production.

Under the order, no other employer can get men who could do the same work until the shipyard bottleneck is broken.

UTILITY REFUND UPSET

The question whether state public service commissions can lawfully direct public utilities to refund to consumers earnings which otherwise would have to be paid into the U. S. Treasury as excess-profits taxes was further complicated last week. A Michigan court ruled that the Michigan Public Service Commission lacked power to order a refund which had the effect of a retroactive reduction of rates.

The ruling was handed down by a circuit judge, who invalidated an order of the Michigan commission directing the Michigan Bell Telephone Co. to refund \$3,500,000 to subscribers. While the ruling held only that rate reductions could not be made retroactive, some attorneys expressed the belief that the opinion might jeopardize the principle of basing rate structures on past earnings of utilities.



How to Buy From the Government. How, Where, and When to Find the War Surpluses That You Can Use or Sell. (Part 1.)

Five years of war and preparation for war have taught businessmen to regard the U. S. government as the world's biggest customer. Gradually, they have learned to deal with it on that basis.

Now the government is working into a new role. It is becoming a seller as well as a buyer. Eventually, it will become the greatest seller in history. Automatically, the change in the government's trading position poses business the problem of learning to deal with it on the new basis.

• **What Makes Surplus**—The goods that the government has to sell will be the surpluses arising from the transition from war to peace. Some of these surpluses will be chargeable to overprocurement, to obsolescence, or to unforeseen changes in requirements. By far the greatest part, however, will result from the simple fact that a peacetime army has no use for the huge reserves of weapons and equipment that have to be maintained during war.

As far as surpluses of munitions are

concerned—guns, tanks, combat planes, ammunition—business hasn't much to worry about, or much to look forward to. Few, if any, of these weapons of war are adaptable to peacetime uses. Even the possibility of pulling them apart and using the components is dubious because of the expense of dismantling and the extreme specialization of their design. About the only things that can be done with most surpluses of this sort are scrap them, store them, or transfer them to some friendly power.

• **For Peacetime Use**—The surpluses for business to watch are the thousands of items that have duplicates or close counterparts in the ordinary civilian economy. Army inventory lists include miles of copper wire identical with the strands that can be seen on any telegraph pole, uniforms that can be converted to civilian work clothes simply by stripping off the military buttons, tableware, cutlery, brassieres, barbed wire, electronics equipment, shoes, drugs, machine tools.

In addition, the government owns some \$16,000,000,000 worth of industrial facilities, much of it superbly tooled, brilliantly engineered. In some lines, the government plants comprise the most modern and most efficient section of the industry. Operated competitively, they could be pacesetters in pricing and production.

• **Second Guesses Lower**—Nobody knows just how big the postwar surpluses will be or what kinds of goods and facilities they will include. The final answer will depend on many things—on how much is used up in the Japanese war, on how well the Army manages to tailor its procurement to its needs, on what the government decides to do about keeping specialized war plants in standby after peace comes.

The most that the experts will say is that surpluses to be absorbed by the domestic economy won't be as big as the first quick estimates made them seem. When the war ends, the procurement agencies probably will find themselves

Morton's

SALT TABLETS



**NOW AS FAMILIAR
AND NECESSARY
AS THE DRINKING
FOUNTAIN . . .**

Only a few years ago, the drinking fountain stood alone. Today, in practically all leading industrial plants, it has a partner, the salt tablet dispenser. For, wherever men work — and sweat — water and salt go together.

Salt is a balance wheel in the human body. When salt is lost the body becomes dehydrated and the blood thickens. The result is Heat-Fag, lassitude, inalertness. Production suffers and accidents increase.

The easy, simple, sanitary way to replace the salt lost through sweat is with Morton's Salt Tablets. It costs less than a cent a man a week to have them available at every drinking fountain.

In salt tablets, as with other grades and types of salt, Morton is the recognized leader. Order Morton's Salt Tablets and Dispensers from your distributor or directly from this advertisement. Write for free folder. Morton Salt Co., 310 South Michigan Ave., Chicago 4.



MORTON'S DISPENSERS

They deliver salt tablets, one at a time, quickly, cleanly — no waste. Sanitary, easily filled, durable. 800 Tablet size - - - - - \$3.25

MORTON'S SALT TABLETS

Morton's Salt Tablets are available either plain or with dextrose.

Case of 9,000, 10-grain salt tablets \$2.60
Salt Dextrose Tablets, case of 9,000 \$3.15

**MORTON'S
SALT TABLETS**

with somewhere between \$60,000,000,000 and \$70,000,000,000 worth of supplies (including contract termination inventories) on their hands, but three quarters of this will be combat weapons. Of the remainder, a large part (perhaps half) will be abroad. This brings the total of immediately disposable goods in this country down into the neighborhood of \$6,000,000,000 to \$10,000,000,000 (BW-Jan.22'44,p15).

• **The Plant List**—Similar analysis puts the government-owned industrial capacity in better perspective. About one-third of the \$16,000,000,000 stake is concentrated in shipyards and ammunition plants, and there is almost no possibility of converting it to anything else. Another one-third probably will be convertible fairly quickly to civilian uses. The remaining \$5,000,000,000, which includes government-owned aluminum plants, synthetic rubber plants, and the like, will break down into a series of special problems that will have to be tackled on an industry-by-industry basis.

To the individual manufacturer or dealer it is not the aggregate that counts but the surplus in his particular line. This is where the trouble will come. While the total surplus probably won't exceed a manageable size, government-owned stocks of some commodities—medical supplies, for instance, or transport aircraft—will equal years of ordinary production. Throwing them on the

market without setting quotas or price floors could knock the bottom out of the production system and crowd regular suppliers into bankruptcy.

• **Promise and Threat**—To the ordinary businessman, the prospect of big post-war surpluses presents both an opportunity and a danger. The danger is that the sale of government stocks will wipe his market or advance his competitor at his expense. The opportunity is a chance for him to purchase surplus and find a profitable use for them in his business.

Just what happens in any particular case will depend largely on two things: first, how skillfully the businessman adapts himself to deal with the government in its new role of seller instead of buyer; second, how successfully the government follows up the objectives it has set for surplus disposal.

• **If the Policies Work**—If the policies laid down by Congress and endorsed by various government officials can be taken at face value, business can expect orderly liquidation of surpluses at reasonable prices through regular channels of distribution. The Surplus Property Act adopted last September (BW-Sept. 23'44,p7), instructs disposal authority to protect markets and price structure to preserve established patterns of distribution, to avoid strengthening monopoly. The plans now being drafted have these aims in view.

The trouble is that defining objectives



Tools, offered in wide variety but limited quantities, are examined closely by prospective buyers in New York at a surplus goods "fish bowl" sale—where bids are submitted, drawn, opened, and awarded right on the spot.



Have you seen the new day coming?

Even in the pre-dawn darkness of war there are signs that it is on the way. . . . It can be the greatest day the world has ever known.

Already men, materials and American ideals have penetrated to the last wildernesses of the earth. There's a trans-Atlantic flight every 13 minutes of the day and night... 160,000 miles of air routes being flown by American transport planes... our air strength is double that of the rest of the world combined... our manufacturing

productivity half of the world's total capacity. We have what it takes to force prosperity and to enforce peace.

We at Bryant feel that we're part of the new day that's coming. Our record in war links us with great production achievements, from the millionths-of-an-inch precision in the modern airplane engine to the millions of things that we'll help to produce more simply, faster, for less. We urge you to call us in now!



BRYANT CHUCKING GRINDER COMPANY SPRINGFIELD
VERMONT, U. S. A.

**"Do as we do when we have a
metal-processing problem
...CALL HOUGHTON!"**

"Many's the time our plant has benefited from the experience your men have accumulated," writes one metal man.

"When we have a heat treating, tough machining or cold working problem, we know your technical men can help, so we don't hesitate to call Houghton."

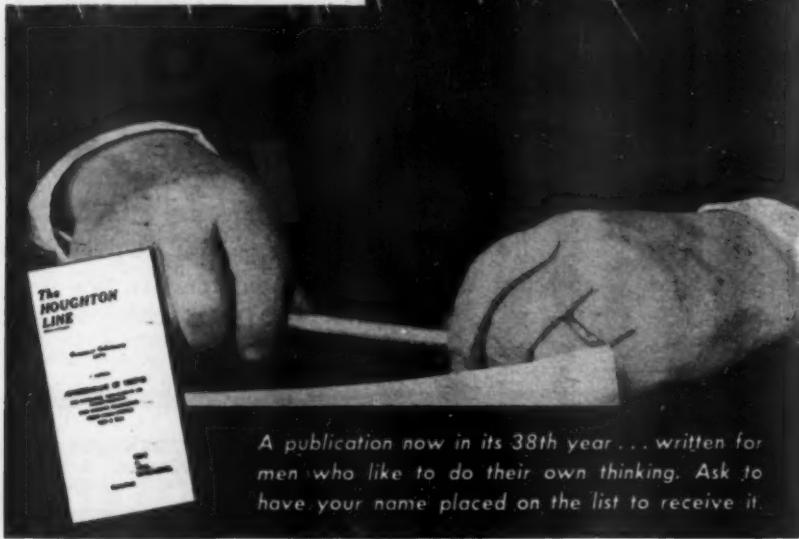
That sort of habit has kept our metal specialists mighty busy during these hectic war production days. But it has speeded up vital production, by ironing out processing troubles and by specifying proven heat treating salts, lubricants and cutting fluids.

In the conversion days to come this service will prove equally helpful. It's yours for the asking.

E. F. HOUGHTON & CO.
303 W. Lehigh Avenue, Philadelphia 33, Pa.
Offices in all principal cities



A publication now in its 38th year... written for men who like to do their own thinking. Ask to have your name placed on the list to receive it.



doesn't automatically achieve the. There is a real danger that the problems of orderly disposal will prove to much for the officials handling surplus. There is also the danger that the whole surplus disposal program will bog down in a welter of good intentions. Too many government agencies are taking a hand in policy formation. Orders that should be drafted in a matter of days take months to get through the mill. Too many interests have a legal claim to protection.

• **Getting in Early**—At this stage, no businessman can be sure how skillfully surplus disposal in his field will be handled. Even so, this is the time for him to start making his plans. If the situation is going to be confused, if government policies are going to be fumbling, he will make out just that much better if he knows the ropes himself.

The basic machinery for surplus disposal has now been set up. In many respects it is tentative. Almost certainly, it will have to be changed, just as the machinery for government procurement and control of production had to be changed in the early days of the war. Most businessmen, however, can now form a fairly clear idea of where they will fit into the machine.

If they don't find a place for themselves, or if the place they find doesn't suit, this is the time to take their troubles to Congress and to the surplus disposal officials. Once the wheels start turning, it may be too late to change.

2. WHO'S SELLING WHAT

To get a clear picture of the surplus disposal machinery as it now stands, you have to take a look at its history. Even in their present tentative shape, official plans for handling excess stocks represent the end product of several false starts and a considerable amount of evolution.

• **The Last Time**—Surplus disposal after the first World War was a rough-and-ready business characterized by haste and bad management in some departments, by lethargy in others. Although Congress gave the President blanket authority over surpluses in the act of May 10, 1918, each of the executive branches handled its own program without central supervision. The Army's planning did not start until some 20 days after the Armistice when the War Dept. hauled 150 officers back to Washington to lay out a disposal program.

In the four years following 1918, the government sold surpluses that had cost some \$3,750,000,000, receiving in payment about \$1,500,000,000. Public auctions, negotiated sales, and direct

THE SCIENCE BEHIND THE SCIENCE OF ELECTRONICS

THE POWER WITHIN THE MOLECULE IS
OF A MAGNITUDE TO MOVE THE EARTH

Today this great power is being made available to industry through the Science of Electronics. The science *behind* this science is the development and perfection of Electron Vacuum tubes...the medium with which molecular power is converted to practical use.

For more than a decade Eimac has been exclusively engaged in the science *behind* the Science of Electronics. Concentrated engineering has succeeded in producing Electron Vacuum tubes which possess vastly superior performance capabilities. On merit alone, Eimac tubes have become first choice of leading electronic engineers throughout the world. Remember this fact when selecting electronic equipment for your application...such equipment can be no better than the tubes it employs.

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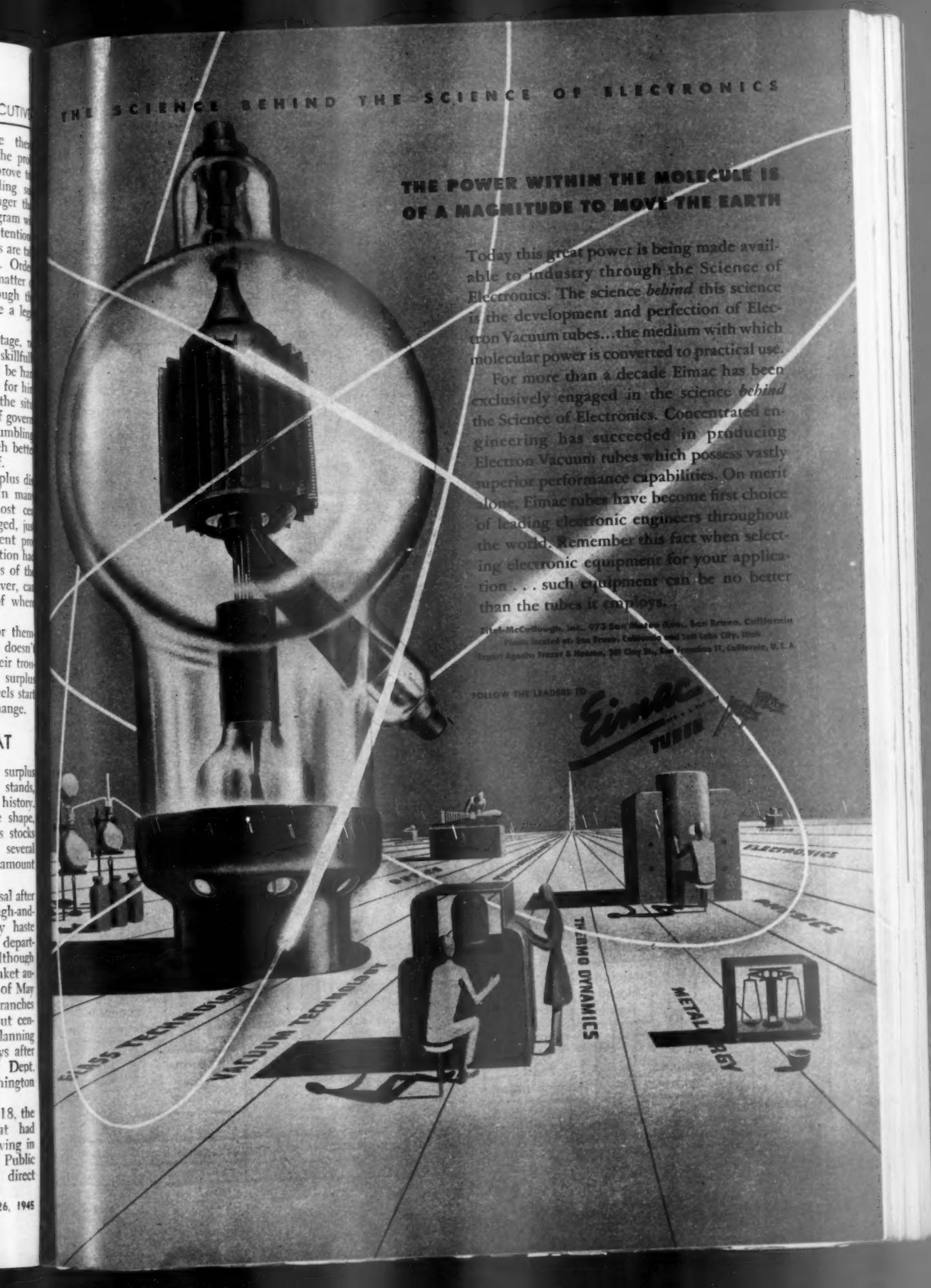
FOLLOW THE LEADERS TO

Eimac
TUBES

TRANSISTOR
DYNAMICS

ELECTRONICS
TUBES

METAL MFG.



sales to consumers through Army-Navy stores were the favorite methods. Many of the Army-Navy stores that got their start in this period stayed in the retail business and do a thriving trade today.

• **This Time**—The government got off to a faster start this time, but still

a bad one. In August, 1942, President Roosevelt issued an executive order making the Procurement Division of the Treasury responsible for miscellaneous disposal activities, subject to the supervision of the Bureau of the Budget. Two months later, he sent a message

to Congress asking for a study of problems of managing government supplies.

During the next year there was some discussion of the surplus question in Congress and in the executive agencies, but no action was taken. Finally,

THE FLOW OF SURPLUS MATERIAL

Contract Termination Inventories

Surplus Property Board
is responsible for
policy at all stages
of the disposal process

**Surpluses Owned
by Army, Navy,
Maritime Commission,
and Other Agencies**

Offered first for direct
sale by contractors.
Quantities not sold
within 60 days are
turned over to
owning agencies
and declared surplus

Scrap, salvage, and
nominal quantities
of all other surpluses
are sold direct
by owning agencies

MATERIAL
OFFICIALLY
DECLARED
SURPLUS

Reconstruction
Finance
Corporation

National
Housing
Agency

Dept.
of
Commerce

Federal
Works
Agency

Dept.
of
Agriculture

Foreign
Economic
Administration

U. S.
Maritime
Commission

War
Food
Administration

Dept.
of the
Interior

Army
and
Navy

Disposal, by transfer between government agencies and to the public, under Surplus Property Board rules.

study of government
there was some question
ative agency. Finally,
February, 1944, Bernard Baruch and John M. Hancock filed their report on postwar problems (BW—Feb. 26 '44, p. 17). Among other things, they recommended immediate establishment of a central agency within the Office of War Mobilization & Reconversion to handle surpluses. As a general objective, they set up the principle that excess goods should be sold at a fair price through regular channels of trade, using existing agencies of government instead of setting up an entirely new sales organization.

Enter, SWPA—Four days after the Baruch report, the President issued an executive order creating the Surplus War Property Administration. William L. Clayton, then Assistant Secretary of Commerce, became head of the new outfit. SWPA was entirely a policy-forming agency. It never got down to the level of actual selling. Its first step was to designate various other government agencies to handle surpluses and sell them. Then, it went on to lay down rules to govern the disposal agencies in such matters as pricing and methods of sale.

SWPA had scarcely hung out its sign when Congress began work on the legislation that eventually became the Surplus Property Act of 1944. All through the summer the legislative tug of war went on. It was obvious by then that surplus disposal was going to develop into a big business. Every lobby and pressure group had its say on the subject.

Then, a Board—Congress finally decided to overrule Clayton's violent objections on two main points. It substituted a three-man board for the single administrator and it established an elaborate system of preferences for various classes of buyers. It also wrote in a variety of qualifications and safeguards, but it confirmed the idea of letting established government agencies handle the actual selling subject to regulation by the central board.

This was the Surplus Property Act of Oct. 3, 1944. It provides the legal basis for the present system of disposal. Continued Squalls—Passage of the act didn't end the controversy. The liberal-conservative split that had caused most of the dissension in Congress flared up again when the President began to select the three new board members. New Deal advisers in the White House blocked one slate of conservative nominees suggested by Commerce Secretary Jesse Jones. Conservatives retaliated by blackballing the White House favorites.

At last, the President sent Congress a compromise slate: for chairman, Guy M.



CLAYTON STEAM GENERATORS

Pack **EXTRA POWER** in a Small Package

As with the Bazooka, development of the Clayton Steam Generator was timely, for it filled a vital requirement for boilers on 15 types of Naval vessels. These boilers had to fit into one-fourth the space and weigh half as much as conventional types.

In addition to being compact, Clayton Steam Generators incorporate long-sought performance features that set new standards for generating steam. They are 75 to 80 per cent overall efficient . . . fully automatic . . . instantly adjust themselves to any required load between minimum and maximum capacity . . . reach full working pressure from a cold start within five minutes . . . are completely self-contained, ready to hook up and operate—no bricking, setting or additional accessories are required. Operation does not require a trained engineer (unless contrary to local ordinances).



Clayton Steam Generators are particularly adapted for use in dairies, canneries, laundries, food dehydration, plastic and rubber processing, vulcanizing, plating, cooking, cleaning, sterilizing, distilling and all types of steam processing.

The new Clayton Steam Generator catalog gives complete information on oil and gas fired models, from 10 to 100 h.p.





REPORT TO EXECUTIVE



Before bidding at Seattle, dealers scrutinize hard-to-get medical equipment—which will be plentiful when surplus sales hit their postwar stride

Gillette, senator from Iowa, defeated in the 1944 elections; for the other two members, Robert A. Hurley, former governor of Connecticut (also defeated for reelection), and Edward Heller, a lieutenant colonel in the Army Finance Division and member of a wealthy San Francisco family.

• **Watching Its Step**—The new board took office Jan. 19, inheriting in a lump all the policies and machinery set up by the old SWPA and some of its personnel. Since then, it has moved cautiously. Officials in other agencies who have watched it work think that caution will continue to be its chief characteristic.

The disposal machinery under the present setup is a curious structure. The board itself is not an independent agency. Technically, it is subject to the Office of War Mobilization & Reconversion. OWMR has exercised its authority only once—when James F. Byrnes, then director, refused to approve a budget that would have given the board operating functions as well as policy-making powers. As a result of Byrnes' decision, the board now works entirely as a supervisory agency, although the law charges it with various administrative responsibilities.

• **Owners and Sellers**—The government agencies that actually handle surplus are divided into two classes—owning agencies and disposal agencies.

An owning agency is any branch of the government that finds itself with surplus goods on its hands. The Army and Navy are the most important, but other war agencies, and regular departments as well, are expected to turn up

KELLYS ARE TOUGH!

You've probably found new Kelly tires scarce. In one sense you can be glad they are. Kelly is utilizing all available supplies of materials, manpower and equipment to meet the ever-increasing demands of our fighting forces—for quick victory. When V-Day comes, the greatly enlarged, modernized Kelly plant will turn out as fine a truck tire as money can buy. Until then, stretch the life of your tires with regular inspections, repairs and recaps. Make them last!

THE KELLY-SPRINGFIELD TIRE COMPANY
Cumberland, Maryland

KELLY

TRUCK TIRES

Proved and Improved for Over Half a Century



Piping

A modern mother's ally



Babies can mean a lot of work but the modern mother has learned to depend on the American laundry to keep the new arrival in clean clothes . . . at a daily rate of 27 diapers, 6 nightgowns and 3 bed changes. This is but typical of the service rendered by the nation's laundries. Last year, for example, they handled over 7 billion pounds of washing at an average cost, despite the war, of less than 8 cents a pound. And piping, in a large measure, makes this valuable and economical service possible.

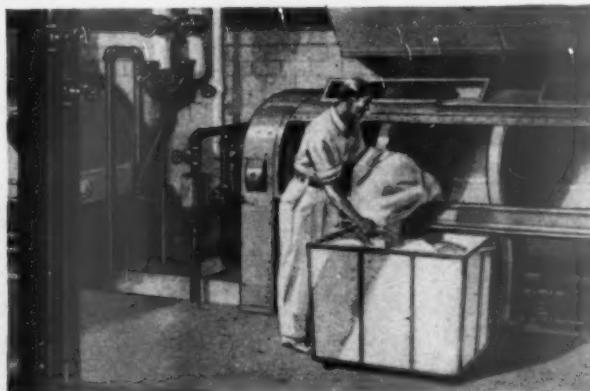
For in laundries, as in practically every industry, piping plays a vital role. Flow control provides water tempered to the individual needs of each fabric . . . delivers the proper solution of cleansing compound at the flick of a finger . . . carries steam to the huge ironers and pressers.

But whether it be a laundry or a refinery, steel or paper mill, food processing or chemical plant, piping is im-

portant. And supplying the equipment for every piping system has been a job for Crane Co. for 90 years.

If you plan to modernize your present plant or build a new one, you can rely on Crane for the valves, fittings, pipe . . . every item of your piping systems. By specifying Crane materials throughout you'll be assured the correct item for every service—simplified stock handling—better service because of Crane's nation-wide distribution—the high quality of equipment for which the name Crane has always stood.

Crane Co., 836 South Michigan Ave., Chicago 5, Ill.



A laundry may seem far removed from the manufacture of steel, the production of chemicals, the processing of food. But practically all industries have this in common—piping is necessary to their operation. Your business, too, depends on piping. When planning this major plant investment remember Crane . . . for valves, fittings, pipe . . . for every item of every piping system.

CRANE



VALVES • FITTINGS • PIPE
PLUMBING • HEATING • PUMPS

BRANCHES AND WHOLESALERS SERVING ALL INDUSTRIAL AREAS

with sizable surpluses in some lines after the war.

• **Disposal Lineup**—A disposal agency is one of the organizations designated by the board or by the law to handle storage and sale of specified kinds of surpluses. Buyers will deal entirely with the disposal agencies. In the course of an ordinary sale, they won't come in contact with the owning agency or with the board.

The present lineup of disposal agencies is this:

Commerce Dept.—Consumer goods, finished products of various kinds, construction machinery, farm machinery, motor vehicles.

Reconstruction Finance Corp.—Industrial plants, manufacturing machinery, machine tools, raw materials (except agricultural), semifabricated items, aircraft.

Maritime Commission—Shipyards, merchant ships, shipfittings and supplies.

War Food Administration—Agricultural commodities and foods processed from them.

National Housing Agency—Housing and land connected with housing developments.

Federal Works Agency—Community facilities.

Foreign Economic Administration—Aircraft and lend-lease supplies that are abroad.

Army & Navy Surplus Liquidation Commission—All other overseas surpluses in noncombat areas.

Interior Dept.—Mineral and grazing lands.

Agriculture Dept.—Farm lands.

Most buyers will deal with the RFC and the Commerce Dept. These two

agencies will handle the heaviest part of the disposal job. To find out which agency is handling a particular commodity, get a copy of the Surplus Property Board's "Buyer's Guide for Surplus Property" (distributed by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., price 10¢) and look up the item in the commodity lists. In general, RFC handles capital and producer goods, Commerce consumer goods, but the lines aren't clearly drawn. For instance, Commerce has charge of construction equipment, mining machinery, and several similar items, although RFC gets most capital goods.

The Surplus Property Board also has issued a "Handbook of Standards for Describing Surplus Property" (available from the Superintendent of Documents in eight parts, 15¢ each).

• **Double Play**—Each owning agency is supposed to make a continuing check of its property, weed out the surpluses promptly, and turn them over to the appropriate disposal agency. Once a piece of property is declared surplus, the owning agency steps out of the picture and the disposal agency handles things from there on.

This system looks simple on paper. In practice, prospective buyers must remember that there are two big exceptions to it: contract termination inventories and scrap and salvage.

• **Termination Inventories**—Contract termination inventories remain the property of the contractor for 60 days after inventory lists are filed. During this time, the contractor is supposed to dispose of anything he can, subject to the supervision of the contracting officers. Since these materials have not been

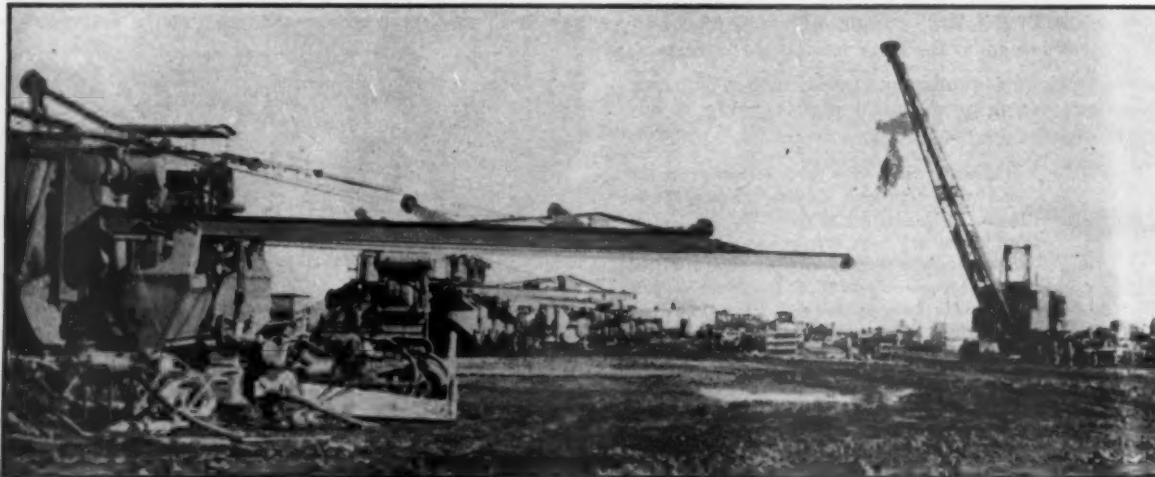
declared surplus, they don't go to the regular machinery. Sales are by the contractor, not by the government. The usual procedures of notification, preferences, and pricing apply. The Surplus Property Board is trying desperately to get some formality into termination inventories but it probably never will achieve that partial success.

Unsold termination inventories revert to the procurement agencies at the end of the 60-day plant clearance period and are then turned over to RFC for disposal, which makes them dead surplus.

• **Scrap and Salvage**—Scrap and salvage are sold directly by the Army and Navy without being declared as surplus. Again, the usual rules don't apply. One of the sore spots in the present disposal system is the tendency of the military to stick a scrap stamp on used equipment and sell it hurriedly for whatever it will bring. In some cases, the buyers have been able to comb over the surplus and pull out usable items for real considerable profit.

A note of advice may keep enthusiastic buyers out of trouble: Don't try to get advance information from the Army or Navy about items to be declared surplus. Procurement officers are bidden to give out tips of this sort and lately the Army has got its lip up on the subject. In most cases it won't do any good to have an advance tip on a surplus declaration, anyhow, because the goods will go to a disposal agency which will give public notice before their sale.

• **Keep in Touch**—Sometimes in the past, the notification has been inadequate, but, even so, prospective buyers



Representative of odd lots of surplus machinery that are being offered up to the public in out-of-the-way places is this 20-acre assortment of tools—used to build the Alaska Highway—put on the block at Kearney, Neb.

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Automatic precision control influenced Ault & Wiborg engineers

to choose Gas

Several years ago, Ault & Wiborg Division of the International Corporation, internationally known makers of industrial finishes, decided to supplant open fire kettles for heating resins and varnishes with a vapor generator, at their Cincinnati, Ohio, plant. The industrial fuel selected for heating the system was Gas.

The salient reason for the choice of Gas was its automatic precision control, permitting a wide range of modulation and requiring very little attention from the operator of the equipment. Through automatic control, the engineers sought and attained an unusually high degree of product uniformity. Other advantages accrued. In four years' operation there has been no maintenance on the burners nor on the fire-brick or lining of the furnace.

Production with this new unit has increased four to eight times over the previous method, and working conditions for the men have been improved tremendously.

Gas is most versatile in its applications and will do a better, more efficient and more economical job for you. Consult the Industrial Gas Engineer of your local Gas Company for complete information.

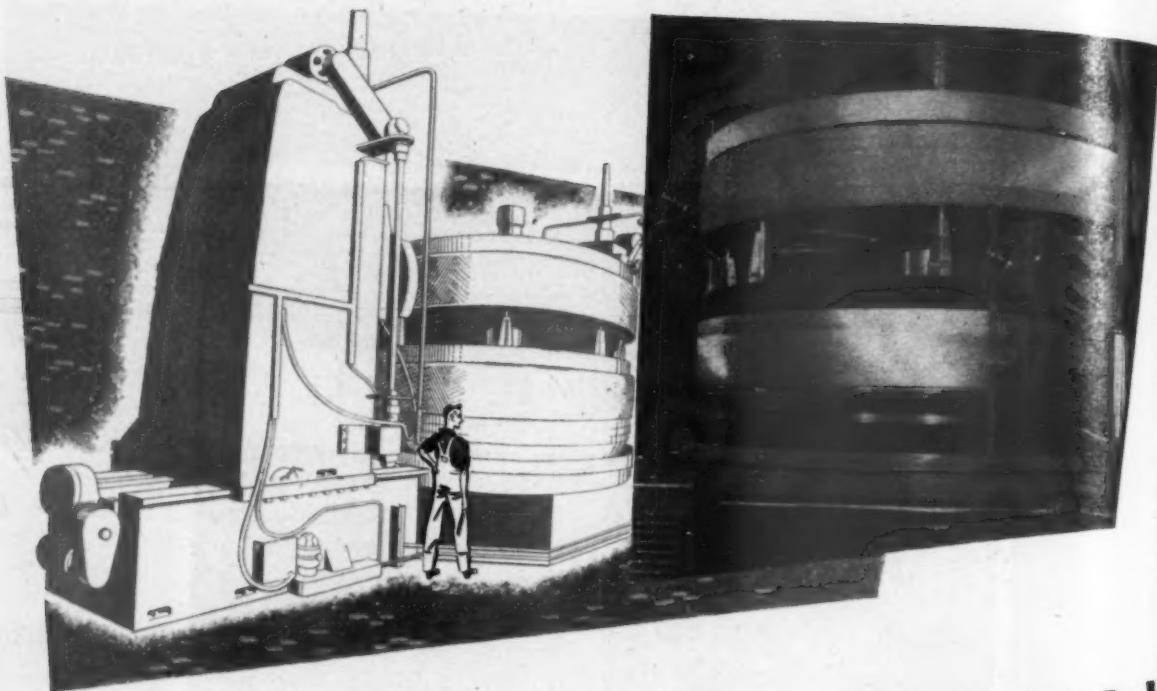
Buy War Bonds—Help Speed Victory!

AMERICAN GAS ASSOCIATION

Industrial and Commercial Gas Section
420 Lexington Ave., New York 17, N. Y.

THE TREND IS TO GAS

FOR ALL
INDUSTRIAL HEATING



26-ton gears, precise as a fine watch

This is the story of the high-precision gear hobbers which cut the reduction gears for Hendy steam turbines. (An 8,500-horsepower Hendy steam turbine revolves 100 times a second. It turns a ship's propeller at the rate of about 1½ times a second. Stepping down the turbine's speed to the propeller's need is the work of the reduction gears. (These must mesh as accurately as the gears in a fine watch, or they will create friction, lose power and

soon wear themselves out. (Cutting them is the work of such gear hobbers as are shown above. These cut continuously for as long as nine days; if they stop for an instant the gear is ruined. (They must cut so precisely that a 3° change in temperature would affect them, so they operate in rooms kept constantly within 1½ degrees of 80°. They cut gear teeth within tolerances of two ten-thousandths of an inch. (Joshua Hendy skill in manufacture is responsible for ever-finer reduction gears, steam turbines, turbo-generators and Diesel engines. Our nearest office invites your inquiry.

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TURBO-GENERATORS



REDUCTION GEARS



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all be better off to keep in touch with the disposal agencies than to try wheedling information out of the Army.

The Surplus Property Board also warns buyers not to rely on the various privately published tip sheets designed to give inside information on surpluses. Buyers will have to use their own judgment on this question, but in any case, the tip sheets are no substitute for the regular mailing lists maintained by the disposal agencies.

PREFERENCES, RESTRICTIONS

The law on which surplus disposal now rests is an extraordinary collection of compromises and makeshifts. Only the political necessity of getting home to do some fence-mending before election persuaded Congress to accept the bill that House and Senate conferees hatched together for it. When they voted for the new law, many congressmen expected that the first act of the board would be to recommend a series of sweeping amendments.

Changes Postponed—The Senate battle over confirming Roosevelt's nominees got the board off to a bad start, however. When they finally took office, board members were in no position to tell Congress what they would and wouldn't do. Under the cautious guidance of Gillette, who handles liaison with Capitol Hill, they decided to make a stab at working under the new law, then bring in recommendations for changes after having had a chance to demonstrate the weak points.

So far, the board has decided only one thing definitely. It wants to get out from under the supervision of OWNR and do business in its own name. In this it had the support of former War Mobilization Director James F. Byrnes. The board also wants a budget big enough to let it take on administrative functions, the point on which Byrnes knocked it down.

Preference Customers—All three board members are in sympathy with the general idea of the complicated preference system that the law establishes. They will not ask Congress to abolish it, although they may have to recommend some simplifications.

Under the preference system, federal agencies are supposed to get first choice of all surpluses. After them come state and local governments, tax-supported institutions, and nonprofit institutions. In addition, veterans, small business, and farmers, all have a more or less hazy claim to consideration ahead of the garden variety buyer.

Interpreting the Law—To make the preference system work, the board has



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STRAIGHT LINE
is the
SMARTEST DISTANCE
between
TWO POINTS**

ROCK ISLAND recognizes that in modern railroading the **smartest distance** is the **shortest**, with the greatest freedom from grades. That is why it is eliminating curves and grades wherever possible; smoothing and straightening the way for the high-speed passenger and freight trains America demands today. That is better railroading!

Many track leveling and straightening projects are already completed, others are in progress, and still many more are planned. This continual activity, throughout the 14 states it serves, is part of ROCK ISLAND'S Program of Planned Progress.

Thus, ROCK ISLAND is doing a better war job . . . right now . . . putting traffic over its lines faster and in greater volume. And will be ready for the peacetime era when fine, fast transportation will carry the people and haul the goods to make America's future safe and secure, for . . .

As yesterday—and today—so tomorrow, ROCK ISLAND'S sole purpose is to provide the finest in transportation!

**GENTLEMEN, YOU MUST BUILD YOUR LINE
TO SERVE OUR TOWN**

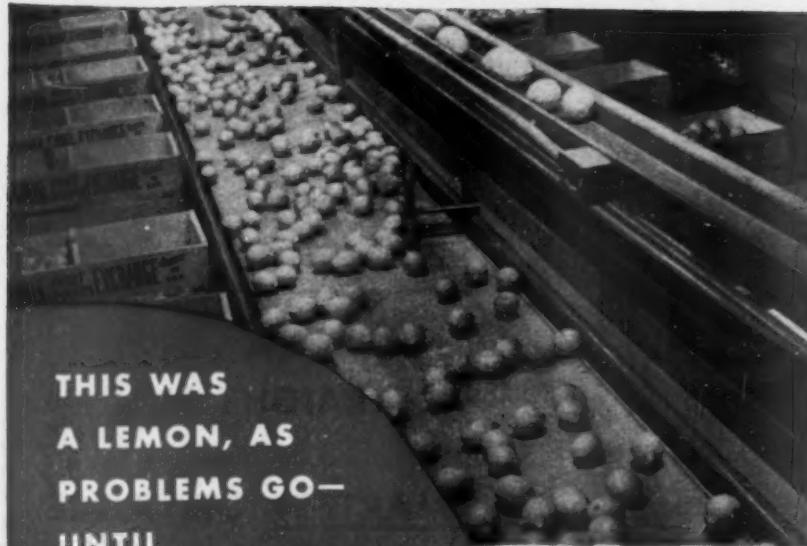


America's pioneer railroads were built to serve as many early, struggling communities as possible. The railroads were the life-blood of the early nation they helped to build. Constant improvements have enabled ROCK ISLAND LINES to keep ahead of the demand for better, faster service. Shortening, straightening and leveling have made, and are making, our routes more direct, as we continue to serve an impressive number of American communities.

ROCK ISLAND LINES



ONE OF AMERICA'S RAILROADS—ALL UNITED FOR VICTORY



THIS WAS
A LEMON, AS
PROBLEMS GO—
UNTIL

Thermoid
SOLVED IT!

While studying the citrus fruit packing industry, Dr. McClelland discovered that lemon sorters and graders were suffering unusual eye fatigue, which could be corrected by using grading belts of a special color. Dr. McClelland

then specified a color which would give sufficient contrast to the color of the fruit for efficient sorting and yet provide a softer background, restful to the eyes of the graders.

Thermoid worked with Dr. McClelland. We found there were three things to be considered in making this new conveyor belting: (1) Making belts match the colors specified; (2) Making the belt's surface impervious to fruit mold—also a surface which would be easily sterilized; (3) Making a belt with a surface that would not rub off or discolor the fruit.

Thermoid is the only company licensed to manufacture Dr. McClelland's "Easy on the Eyes" Conveyor Belting. When war time restrictions are lifted, Thermoid will manufacture more of this belting.

This example of problem-solving ability was taken from our files to demonstrate that Thermoid engineering, research and manufacturing facilities—and the services of Thermoid's field representatives—are at your disposal in the solution of *your* industrial rubber problems.

DON'T PUT IT OFF
'TIL TOMORROW
Buy More War
Bonds Today!

Thermoid
Rubber

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TRENTON, NEW JERSEY

THE THERMOID LINE INCLUDES: TRANSMISSION BELTING • F. H. P. AND MULTIPLE V-BELTS AND DRIVES • CONVEYOR BELTING • ELEVATOR BELTING • WRAPPED AND MOLDED HOSE • SHEET PACKINGS • INDUSTRIAL BRAKE LININGS AND FRICTION PRODUCTS • MOLDED HARD RUBBER AND PLASTIC PRODUCTS

IT'S GOOD BUSINESS TO DO BUSINESS WITH THERMOID

done some frechanded interpretation of the law. First, it concludes that nonprofit educational institutions and medical institutions are entitled to concessions. All other preference holders will get time priorities—that is, chance to buy ahead of the crowd—no discount off the price.

Next, it has decided that it can't possibly offer all surpluses to each of federal agencies and to the 200,000 so state and municipal units before putting them on the market. Instead, it will have preference holders file lists of the items they want. It will hold everything off the market for 30 days, during that period it will notify preference holders if anything they have listed is available. For the first 18 days federal agencies (including Smaller War Plants Corp.) will take their pick. For the next twelve days, local governments will take what they want. After that purchase priorities will expire.

To provide for veterans, who are

Where SWPC Does Business

Smaller War Plants Corp. works through 14 regional offices, each of which has several branches located in the major industrial cities of its area. Businessmen who wish SWPC's help in buying surpluses can deal either with the main office for their region or with the nearest branch. Addresses of the regional offices follow:

Boston 8, Mass., 17 Court St.
New York 1, N. Y., 350 Fifth Ave.

Philadelphia 3, Pa., 1612 Market St.

Atlanta 3, Ga., 1404 Candler Bldg.

Cleveland 14, Ohio, 1717 Union Commerce Bldg.

Chicago 6, Ill., 226 W. Jackson Blvd.

Kansas City 6, Mo., 600 Interstate Bldg.

Dallas 2, Tex., 515 Mercantile Bank Bldg.

Denver 2, Colo., Continental Oil Bldg.

San Francisco 3, Calif., 1355 Market St.

Detroit 2, Mich., 711 Boulevard Bldg.

Minneapolis 1, Minn., 720 Hodgson Bldg.

Seattle 1, Wash., 4454 Stuart Bldg.

Los Angeles 15, Calif., 1031 S. Broadway.

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Alert and spirited bidding by eligible dealers for automotive equipment stored at Mt. Rainier Ordnance Depot typifies the hunger for salable merchandise.

titled to a preference when buying goods to set up a business, the board probably will make up a list of the items veterans are likely to want. It will hold a certain percentage of each listed item as a sort of shelf stock. When veterans put in their requests, they will be able to draw on these reserves.

Smaller War Plants Corp. will claim for small business and redistribute to its protégés. In selling items that farmers might want, the board will set aside a specified amount for rural distribution. Both farmers and veterans probably will be able to do their buying by mail as long as they stick to standard articles.

• **Small Business Guardian**—If you are a small businessman, take note here of the role assigned to Smaller War Plants Corp. in surplus disposal. SWPC is specifically charged with the duty of looking out for the small man's interest, seeing that he suffers no discrimination in the "disposal and distribution and use of any surplus property." This gives SWPC Chairman Maury Maverick authority to intervene in the determination of where, how, and in what sizes surpluses are put on sale.

SWPC also may purchase any property for resale to small business. It is empowered to make or guarantee loans in connection with purchase and operation of surplus plants, and it can arrange credit terms for purchasers. SWPC will work through both its headquarters in Washington and its regional and district offices (page 56), from which advice may be obtained on special small business surplus problems. SWPC inter-

prets the addition to its charter liberally. Small businessmen or small businessmen-to-be will find it a powerful ally.

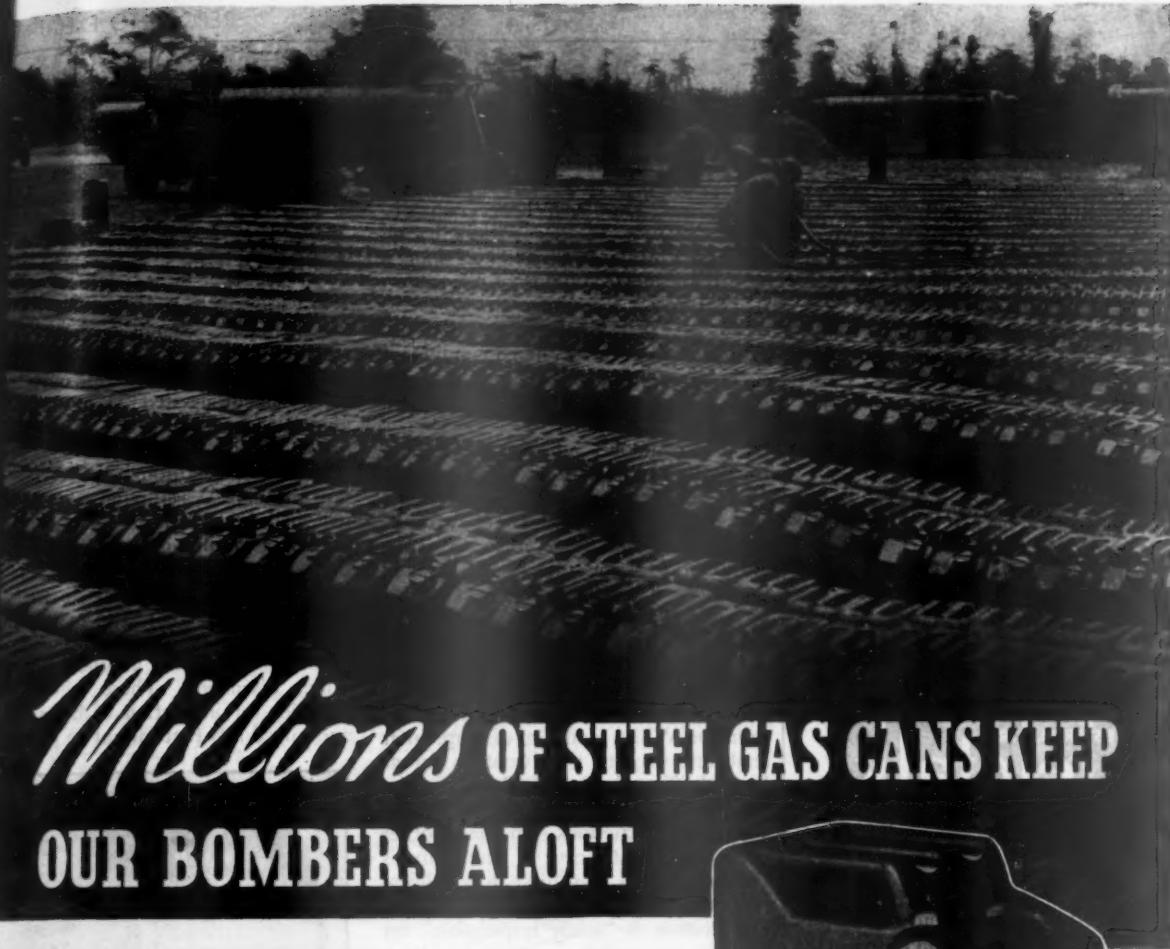
• **The Plant Problem**—If the Surplus Property Board can get preference holders to accept its simplified system, it will be over one of its big hurdles. Some of the others may prove more difficult.

Sales of industrial plants, for instance, are subject to a variety of restrictions under the law. The procedure is so involved that the board probably won't have authority to sell many plants until long after they are declared surplus. As a stopgap, it will have to fall back on its authority to lease any real property for a term of not more than five years.

The law names eight different kinds of property: (1) aluminum plants and facilities, (2) magnesium plants and facilities, (3) synthetic rubber plants and facilities, (4) chemical plants and facilities, (5) aviation gasoline plants and facilities, (6) iron and steel plants and facilities, (7) pipelines and facilities, used in transporting oil, (8) patents, processes, techniques, and inventions except those necessary to the operation of these plants and facilities.

• **Under Congressional Eyes**—The board is instructed not to dispose of any property in these eight categories costing more than \$5,000,000 until 30 days after it has submitted a report to Congress outlining its plans for disposal. In other words, it has to submit a program and give Congress a chance to act before it can sell.

In dealing with four other kinds of



Millions OF STEEL GAS CANS KEEP OUR BOMBERS ALOFT

ANOTHER of Germany's secret weapons has backfired, to speed up their own inevitable destruction. This is the "Jerri-can", or "Blitz Can"--an oblong, flat-sided, five-gallon, steel can for transporting gasoline. It is very strong and stacks or packs in small space.

America has made millions of these cans. For their manufacture, Youngstown has supplied literally miles of sheet steel with unusual deep drawing qualities. "Jerri-cans" full of gas were among the first supplies landed on D-Day in Normandy. They kept our tanks and trucks going in the sweep across France. Today they help keep our thousands of bombers and fighter planes aloft. American-made "Blitz Cans" are used in Italy, in India, Burma and China, and throughout the Pacific.

With overwhelming superiority in steel production, America and her allies can and will outbuild and outdo the Axis, on this small item or any other instrument of war. This superiority can win for us. How soon depends on how effectively we can and will bring superiority to bear on the goal of Military Victory. Then reconversion of steel to its constructive task of making the world a better place in which to live!



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**Paul Revere's horse
had to run around
...but you don't**



In 86 major cities, trained Graybar Specialists are ready to show you how Teletalk Intercommunication can end the constant interoffice "running around" that is reminiscent of the Paul Revere era.

Teletalk provides instant voice-to-voice contact between you and other key individuals . . . each at his own desk . . . and thus saves untold time and energy for vital productive work. In small businesses, as well as in the largest organizations, Teletalk effects savings which are considerable.

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property—aircraft plants and aircraft, shipyards, transportation facilities, and radio and electrical equipment—the board has to make similar reports. But it can go ahead with sales in the meantime.

• **Antitrust Hurdle**—Whenever a disposal agency begins negotiations to sell property costing \$1,000,000 or more—or patents and techniques of any value—it has to clear the deal with the Dept. of Justice. Within 90 days after notification, the Attorney General is supposed to give an opinion as to whether the proposed sale will involve a violation of the antitrust laws.

Nobody knows yet just what stand the Justice Dept. will take in reviewing proposed sales, but early indications are that it will be tough. Assistant Attorney General Wendell Berge, in charge of the Antitrust Division, already has raised objections to several proposals to return goods to the original manufacturers. Berge's staff is inclined to be even stiffer than he is, but there is a good chance that if the Justice Dept. proves too hardboiled it will get instructions from the White House to ease up. In at least one dispute that went as far as Byrnes' office, the Justice Dept. lost the argument.

• **Special Restrictions**—On many other points, the authority of the Surplus Property Board is subject to qualification by other agencies. War Food Administration is "solely responsible" for policies governing agricultural commodities, and before the board is able to dispose of surplus woolen or cotton goods it has to secure the permission of the War Food Administrator in writing for the sale.

Stockpiles of strategic minerals and metals are singled out for special treatment. The Army & Navy Munitions Board is required to submit a report to Congress recommending the maximum and minimum stockpiles that should be held under the stockpiling act of 1939. After one year from the submission of this report, the board may authorize the disposal agencies to take over surpluses and move them out to the public. This provision effectively ties up any distribution of stockpiled minerals for another year and probably for longer than that.

• **Realty Program**—Real property is subject to an elaborate system of price and buyer preferences not yet straightened out by the board. After federal, state, and local preference holders, former owners and their heirs have the first right to repurchase at the price the government paid them for the property. After them, tenants have a claim. The board is instructed to classify all land

into mineral, grazing, agricultural, forest, or otherwise and handle each class separately. Lawyers are now wondering if the complicated provisions of the law make it possible for the government to give clear title to any of the surplus land it sells.

4. PRODUCERS' GOODS

If you want to buy surplus producer goods—metals, chemicals, basic materials, industrial equipment—you will deal with the Reconstruction Finance Corp. RFC has designated 23 of its 31 regional loan agencies to act as disposal offices. With a few exceptions, sales will be handled through the local offices not through Washington. Each office will maintain display rooms and keep a stock of samples on hand for buyers to inspect.

In addition, RFC plans to set up a chain of display centers in major industrial areas—62 of them according to the latest program with another 15 or 20 under discussion. These will provide facilities for inspection of heavy goods and mixed lots that cannot be judged by



Austrian-born Hans Alexander Klabin, director of surplus disposal for the Reconstruction Finance Corp., will supervise sales of producer goods, machine tools, and war plants. An executive vice-president of Defense Plant Corp.—one of RFC's subsidiaries—the 36-year-old attorney saw many of the wartime plants he will have to sell start life in cornfields, wind up as bustling, going concerns.

Teletalk would save me plenty of steps!" ... mused Paul Revere's horse, wistfully



WEBSTER ELECTRIC Teletalk

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One outstanding advantage of having Teletalk Inter-communication in your factory or business is the saving of countless steps between offices and departments. There's no place in modern business life for the slow, wasteful methods of Paul Revere's day.

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Teletalk has brought new efficiency . . . new operating speed and economies . . . to thousands of organizations, from great industrial plants to modest two-office-suite businesses. It's quick and easy to install . . . operates from your lighting circuit . . . needs little or no servicing.

Your local Teletalk distributor is ready to consult with you, and recommend the installation best suited to your specific needs. If you don't find him listed in your classified telephone book, write us direct.

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Ten Big Projects Delineate Plant-Disposal Problem

The biggest plants are likely to be the biggest headaches in the disposal of surplus industrial facilities. Many of the government-owned plants represent such a huge investment that few combinations of private capital will be large enough to take them over. Brief descriptions of the ten biggest projects authorized by Defense Plant Corp., RFC's plant-building subsidiary, illustrate what the government is up against:

Geneva Steel Works, near Salt Lake City, Utah, cost \$202,700,000, covers 1,600 acres, includes 133 buildings with an area of 4,718,866 sq.ft. Geneva is a fully equipped steel plant with blast furnaces, openhearth furnaces, mould foundry, blooming mill, plate mill, structural mill, and facilities for handling coal and byproducts. Columbia Steel (a subsidiary of U. S. Steel) now operates it. Western states, long hungry for a steel industry, are determined to keep it in operation after the war, would prefer to have it in local hands.

Dodge Aircraft Engine Plant, Chicago, operated by Chrysler Corp., cost \$182,500,000, covers 476 acres, includes 16 main buildings with 5,146,731 sq.ft. floor space. Machinery consists of 8,373 pieces, including 6,838 pieces of production equipment—lathes, presses, forges, boring mills, etc.—and 1,355 portable tools, such as drills and welders.

Wright Aeronautical Corp. Plant, Lockland, Ohio, cost \$141,100,000 covers about 247 acres with 30 buildings of 5,622,171 sq.ft. floor space. Machinery consists of 161,775 pieces—137,619 pieces heavy production equipment and 2,034 portable tools. Much of the heavy machinery is specialized for aircraft engine work. The layout includes one complete magnesium foundry and two aluminum foundries.

Basic Magnesium, Inc., Las Vegas, Nev., is the \$134,000,000 develop-

ment in the middle of the desert. It already has ceased magnesium production but is now doing other war work temporarily. The layout consists of an oxide plant—41 acres in fee and 10,247 acres in lode and placer claims—and the magnesium metal plant with 18,440 acres. The oxide plant includes 41 buildings with 226,250 sq.ft. of floor space; the metal plant, 155 buildings with 3,314,333 sq.ft. Because of its remote location, the plant has its own dormitory, hospital, and feeding facilities. Capacity is rated at 112,000,000 lb. of metal a year.

Chevrolet Aircraft Engine Plant in two units, one at Tonawanda, N. Y., one at Buffalo. Together they cost \$137,200,000. The Tonawanda site consists of 33 acres with a one-story building, area 601,000 sq.ft. The Buffalo unit has 33 acres with several buildings, totaling 390,000 sq.ft. Together the two units have 6,600 pieces of machinery, including bending, boring, drilling, and grinding equipment. Chevrolet has been negotiating for purchase of the Buffalo unit.

General Motors Aircraft Engine Plant, Melrose Park, Ill., cost \$125,600,000, consists of 135 acres, six principal buildings and 16 auxiliary structures. Factory has 1,250,000 sq.ft. floor space. Machinery includes about 100,000 items (including equipment at Flint, Mich.), of which 10,000 are production equipment, 3,500 portable tools.

Carnegie-Illinois Steel Corp.—two units, one at Duquesne, Pa., one at Homestead, Pa.—cost \$100,000,000. The Duquesne plant consists of 38 acres and four buildings with 270,624 sq.ft. Facilities include three electric furnaces and all auxiliary equipment, steel conditioning equipment, and heat treating equipment. The Homestead plant covers 103 acres, consists of seven building units with

1,558,247 sq.ft. It is made up of an openhearth plant, a 160-inch plate mill, a 45-inch slab mill, and an armor forging and machine shop, complete with all equipment. The two units can be operated independently of each other, and may be sold separately.

Ford Motor Co. Willow Run (Mich.) bomber plant already has become a symbol of size and mass production. It cost \$96,400,000 altogether, occupies 1,577 acres, includes 21 buildings with 5,052,177 sq.ft. floor space. Machinery consists of 51,950 pieces, of which 3,541 are production equipment and 28,072 portable tools. The remainder consists of office equipment, automotive units, and cafeteria equipment. Ford has announced that it can see no postwar use for Willow Run.

Big Inch Pipeline runs from Longview, Tex., to New York and Philadelphia. This \$95,000,000 project was one of the great engineering jobs of the war, but its postwar future is uncertain. Oil companies and competing forms of transport are wondering where the 24-inch line with its 300,000-bbl.-a-day capacity will fit into the petroleum distribution picture.

Studebaker Aircraft Engine project—in three units at Chicago, South Bend, Ind., and Fort Wayne, Ind.—cost \$92,800,000 altogether. The Chicago plant site is 50 acres with four buildings of 778,080 sq.ft. Machinery includes 1,587 pieces of production equipment and various portable tools. The South Bend plant occupies 319 acres with five buildings totaling 1,453,355 sq.ft. Machinery includes 13,000 pieces of production equipment. The Fort Wayne unit occupies 60 acres with four buildings, 413,605 sq.ft. Machinery includes 1,961 pieces of production equipment.

sample. Each of the display centers will have its own selling staff which can close deals on the spot, subject to the supervision of the regional office.

• **What to Write**—To buy from the RFC, write the manager of the disposing office for your region (page 66). Specify the kinds of goods you want, using regular commercial terms and trade specifications. The Surplus Prop-

erty Board's "Handbook of Standards" will be a convenience both in describing your needs and in interpreting the notices that RFC sends you.

Specify in your first letter to RFC whether you are a manufacturer, dealer, wholesaler, or retailer. State the nature of your business and indicate whether you want the surplus goods for your own use or for resale. This information is needed

because, in some cases, different prices will apply at different levels of trade and because critical materials are still subject to controls, which will affect your eligibility as a buyer.

• **Lists of Buyers**—Each of the regional disposing offices maintains mailing lists of prospective buyers for various types of goods. The ordinary sales procedure is to circularize the mailing list when

How to buy

SURPLUS MACHINE TOOLS

— and get value

Of course, we're talking about Acme-Gridley Multiple Spindle Automatics only—not trying to advise you on machines made by other manufacturers.

DON'T buy a used Acme-Gridley merely because it is offered to you at a cheap price.

DON'T buy a used machine without knowing its age, its capacity, and above all, its present condition.

DO buy a used machine if you are sure that purchase price—plus its cost for whatever reconditioning and retooling may be necessary—totals less than the price of a new machine of equal capacity and performance.

REMEMBER that you cannot expect new-model production from a machine five years behind today's improvements.

There are a lot of Acme-Gridleys now on war work that will someday be out of a job. They were all top-notch producers when delivered, but some of them may have been over-worked or under-cared for.

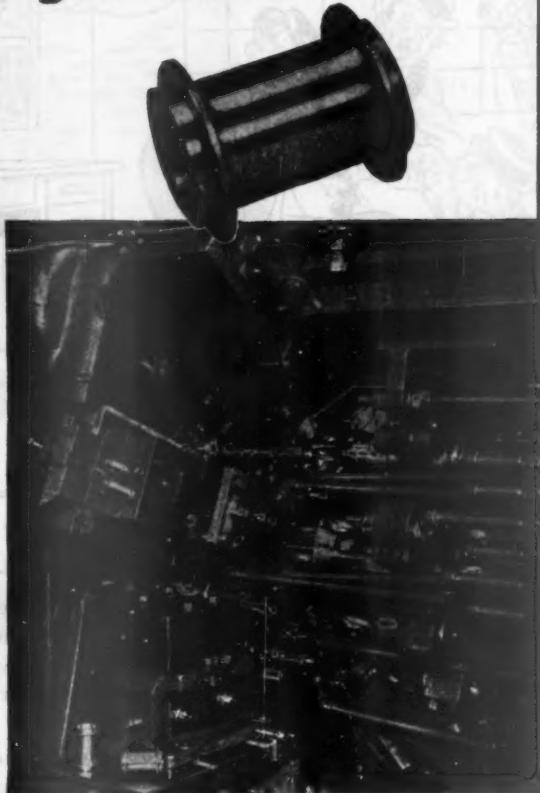
Our interest is to see that you get maximum value from any Acme-Gridley, whether you buy a used machine on the open market, or a new machine from us.

Please feel free to write us when in the market.



ACME-GRIDLEY BAR and CHUCKING AUTOMATICS

maintain accuracy of the highest spindle speeds and fastest feeds
modern cutting tools can withstand.



A TYPICAL ACME-GRIDLEY
COST-SAVING JOB

2 $\frac{1}{4}$ " diameter steel hub turned from bar stock on 2 $\frac{5}{8}$ " Model RB 8-Spindle Bar Automatic.

15 operations—15 tools at work simultaneously—machine time, 28 seconds.

THE NATIONAL ACME COMPANY

170 EAST 131st STREET • CLEVELAND 8, OHIO

THE NATIONA
170 EAST 131st STREET • CLEVELAND 8, OHIO

OUT OUR WAY



SPEEDI-DRI saves time, man-hours, and money in keeping floors clean, dry, and skid-proof . . . one plant took fourteen men off floor-maintenance and put them on more valuable work, when they started using **SPEEDI-DRI**. It's a dry, white, granular material that sucks-up oil like a blotter takes up ink.

Leading insurance companies recommend it because it cuts down on falls, accidents, and "flash" fires caused by oily, greasy floors.

Thousands of industrial plants spread **SPEEDI-DRI** on oily or greasy floors. It immediately furnishes a non-slippery, light-colored surface. When the oil is absorbed, you sweep up the **SPEEDI-DRI** with a stiff broom, and the floor is dry and safe.

No gangs of trained workmen are needed, no complicated expensive machines, no dangerous or inflammable chemicals or caustics.

Write us today for further information, and a big, free sample. Just attach your business card to this advertisement. **SPEEDI-DRI** for oil and grease . . . Sol-SPEEDI-DRI for soluble oils, resins, syrups, solvents, acids, coolants, as well as regular oils and greases.

SUPPLIERS: East—Refiners Lubricating Co., New York 1, New York.
Midwest & South—Waverly Petroleum Products Co., Philadelphia 6, Pa.
West Coast—Waverly Petroleum Products Co., Russ Bldg., San Francisco 4, Calif.

SPEEDI-DRI
OIL AND GREASE ABSORBENT



REPORT TO EXECUTIVE

ever a particular lot of goods is available. This direct mail solicitation is supplemented by public advertising and sometimes by direct invitations to individual buyers specializing in the particular item. So far, RFC's advertising has been on a small scale, but it intends to step up the tempo as more surpluses become available. Recently it engaged a regular advertising firm to act as its agent.

Businessmen should note one thing: they have no specific demands. They simply want to keep an eye out for opportunities in surplus disposal. RFC intends to comb out its mailing list just as any commercial firm does. If it gets no response from you in the course of half a dozen offerings in your line, it is likely to knock your name off the list. Consequently, if you are only an occasional buyer, don't put too much faith in direct mail notifications.

All RFC regional offices are supposed to exchange mailing lists. Also, each office will query the others if it can't find a request from its own inventory. If this system works smoothly, a buyer will be able to get full information on surpluses anywhere in the country through his local office.

• **Central Inventory**—RFC intends eventually to set up a central punchcard inventory in Washington listing in summary form all the surpluses that the regional offices hold. When this machinery is working, a regional office will be able to teletype a specific request to Washington, and the central inventory will show whether the goods are available anywhere in the country. The agency is already using this system on a limited scale with manual filing.

Some of the other government agencies have their doubts about the possibility of maintaining a central inventory. They think the difficulties of classification and the constant fluctuation will prove too much for any known inventory system. RFC thinks it can lick the problem, but until it does, prospective buyers won't lose anything by having their agents in other regions keep an eye out for what is available there.

• **Sales Experiments**—RFC is still experimenting with methods of sale. It prefers price tags and competitive bidding, but if only a few buyers are interested in a particular lot, it will sell by informal negotiation. For some used goods and damaged or off-standard items, it thinks auctions are best.

Buyers will be notified of the method of sale at the same time they are told that the goods are available. RFC supplies bid forms and other necessary documents. Its usual delivery terms are ready to load on cars, but buyers should check to see exactly what handling

changes are involved in a particular sale. Credit Terms—If a buyer wants credit, he can get ordinary commercial terms for the particular commodity—ordinarily 30 or 60 days for amounts up to \$100,000. Longer credits can be arranged through the regional loan agency on the same terms as regular RFC loans.

Incidentally, don't hesitate to ask for credit. RFC is used to that. It has been in the lending business for some 13 years now. But don't expect credit if you can't meet approximately the same requirements a private supplier or manufacturer would ask.

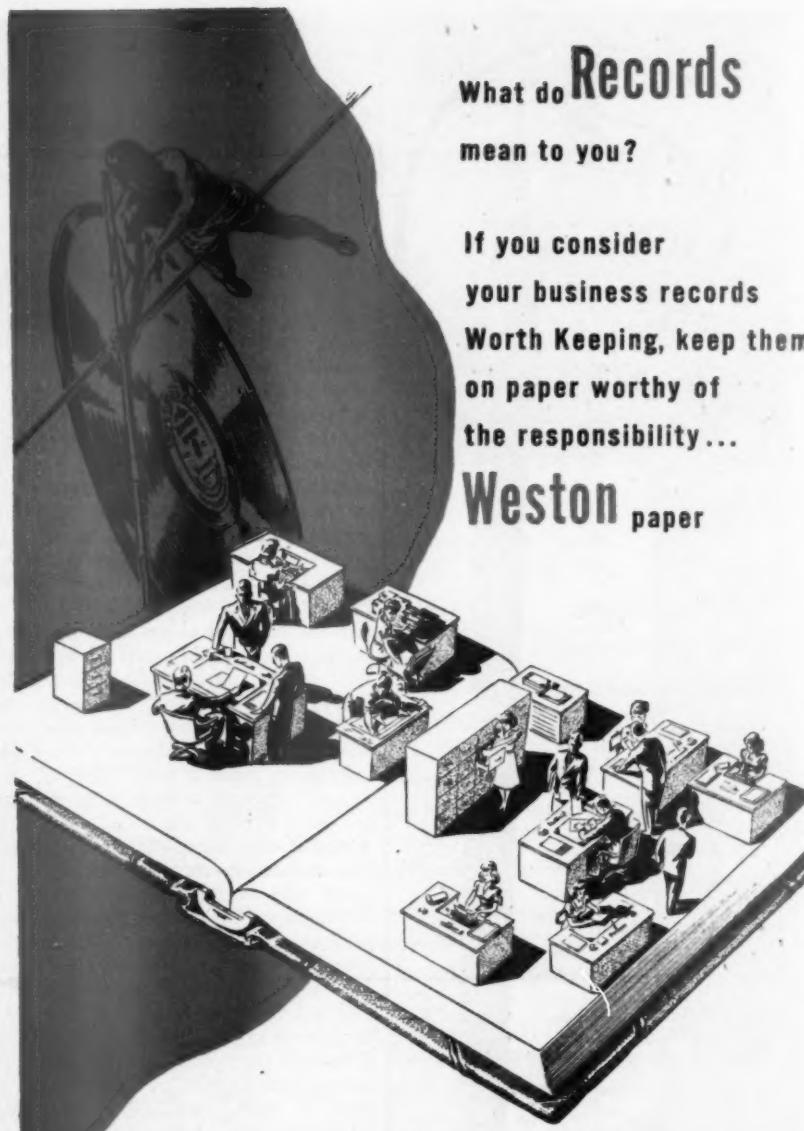
What Warranty Means—Goods that you buy from the RFC will be covered by a "warranty of description," which means that the government guarantees that you are getting the articles described in the bill of sale. It does not guarantee that the goods will be suitable for any particular use or that they will meet any specifications not stated in the bill of sale. In other words, if you buy something described as a new compressor, the government warrants that it is a compressor and that it is new. It does not warrant performance.

Several of the commodities handled by RFC have been singled out for special treatment. Interested buyers should consult with their regional offices.

• Communications Equipment—All components of radio, radar, telephone, and telegraph equipment will be turned back to the original manufacturers who will act as RFC's agents in reconditioning them and disposing of them. The manufacturers will receive reimbursement for costs of handling and repair plus a commission (5% on sales to the government or to government contractors, 10% on all other sales). They will move the government surpluses through their regular sales organizations, dividing sales in an agreed proportion between their own goods and the government's. As a safeguard, RFC retains the right to prescribe the disposition of 20% of each class of material turned over to the manufacturers. If the agents wish, they may buy up to 80% of the surpluses for resale on their own account.

• Cutting Tools—A similar arrangement will govern the sale of cutting tools, such as broaches, countersinks, drills, gearshaper cutters. In this case, the manufacturer-agent will be paid a commission of 17½% and will feed out the government-owned cutting tools in a ratio of one in four to his total sales.

RFC probably will extend the same principle to valves and gages, and perhaps to other items. It would like to use the manufacturer-agency system where it has large quantities of highly specialized items that require elaborate testing



What do Records mean to you?

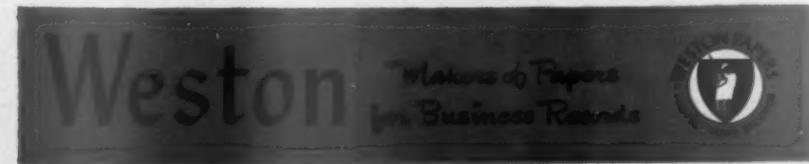
If you consider your business records Worth Keeping, keep them on paper worthy of the responsibility...

Weston paper

Weston Cotton Fibre Content Papers are made for only one purpose—to provide a dependable and enduring foundation for records that are *worth keeping*—the financial, legal and commercial records, reports, forms, documents and correspondence without which your business could not function effectively.

Simply adopt this sound and sensible precaution. Whenever you consider any record *worth keeping* see that it's kept on paper that has proved its ability to resist time and hard handling—paper made specifically for record keeping—WESTON paper.

BYRON WESTON COMPANY, Dalton, Massachusetts





The point's the producing end of a pencil. Bonding the lead to the wood (*Pressure-Proofing*) makes Venus VELVET points strong. They're smooth, too. Try them... you'll specify them!



Venus VELVETS are better pencils . . . but only 5¢.



**VENUS
VELVET
PENCILS**

AMERICAN LEAD-PENCIL COMPANY, HOBOKEN, NEW JERSEY

and skilled repair work before they can be salable. In such cases, it wants to avoid spoiling the market for the manufacturer, and it also wants to turn the goods over to someone with the facilities for handling and selling them.

The Dept. of Justice regards the idea suspiciously and probably will block any widespread use of it. The Antitrust Division has advised RFC that it sees no violation of the law in the agency agreement itself but that activities of the manufacturers might or might not run afoul of the Sherman act.

• **Metals**—A central inventory of all surplus metals is maintained for RFC by the Murray Cooke Corp., a private contractor in New York. Regional offices of the RFC handle sales of everything except primary metals, clearing their requests through the central inventory. The Washington office handles primary metals itself.

Small machine shops and other small metal users probably won't find it practical to do much buying from RFC. They won't get the warranties and special services that wholesalers customarily give them. Most of RFC's sales will be to the big users who can buy in mill lots and arrange shipment and handling themselves.

• **Aluminum Scrap**—Sale of contract termination inventories threatened to knock the bottom out of the market last autumn. To protect the established price structure, Clayton's SWPA established a schedule of minimum prices for various classes of aluminum scrap and ordered the Army and Navy not to approve sales below these minimums. Surpluses that could not be sold were turned over to RFC. From October to January, RFC held aluminum scrap off the market while prices firmed up. Similar tactics probably will be used in any case where heavy sales threaten to break the market.

• **Aircraft Materials**—By a three-way agreement among RFC, the Army Air Forces, and the Navy Bureau of Aeronautics, excess stocks of aircraft materials are not declared surplus but are funneled through a special redistribution system. Contractors report their excesses to the government aircraft scheduling center at Wright Field. Anything that Wright Field doesn't want is listed in a special inventory maintained by the Murray Cooke Corp. From there it is fed out to some 118 agents who redistribute it to aircraft manufacturers.

In dealing with RFC, remember that, for the present, all critical materials are subject to the regular war production controls. In most cases the applicable regulation is WPB's Priorities Regulation 13, which governs sale of excess

and idle stocks. Unless you qualify automatically under PR-13, you will have to get WPB's approval for your purchase on the regular Form 3320.

5. PLANTS AND TOOLS

The Reconstruction Finance Corp. is the designated disposal agency for government-owned plants, machinery, and other capital goods. If you want to buy a plant, the first thing to do is to get in touch with your regional RFC office. The final deal will have to clear through Washington, but you can save time

Where RFC Does Business

The Reconstruction Finance Corp. will sell capital and producer goods and conduct negotiations for sale of surplus war plants through its 23 regional disposing offices:

Atlanta 3, Ga., Healey Bldg.
Boston 9, Mass., 10 Post Office Sq.

Charlotte 1, N. C., Wilson Bldg., 109 W. 3rd St.

Chicago 4, Ill., 208 S. LaSalle St.

Cleveland 1, Ohio, Federal Reserve Bank Bldg.

Dallas 1, Tex., Cotton Exchange Bldg.

Denver 2, Colo., Boston Bldg.
Detroit 26, Mich., 607 Shelby St.

Houston 2, Tex., Rusk Bldg., 723 Main St.

Kansas City 6, Mo., Federal Reserve Bank Bldg.

Los Angeles 14, Calif., Pacific Mutual Bldg.

Minneapolis 1, Minn., McKnight Bldg.

New Orleans 12, La., Richards Bldg., 837 Gravier St.

New York 5, N. Y., 70 Pine St.

Omaha 2, Neb., Woodmen of the World Bldg.

Philadelphia 2, Pa., 1528 Walnut St.

Portland 5, Ore., Pittock Block.

Richmond 19, Va., Richmond Trust Bldg., 7th & Main St.

St. Louis 2, Mo., Victoria Bldg., 407 North 8th St.

Salt Lake City 1, Utah, Dooly Bldg.

San Antonio 5, Tex., Alamo National Bldg.

San Francisco 4, Calif., 200 Bush St.

Seattle 1, Wash., Dexter-Horton Bldg.

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NEW! Pure Oxide Refractories by NORTON



WITH the manufacture of a line of Pure Oxide Refractories, Norton Company is opening new fields for high temperature research. Refractories made from unbonded oxides (of aluminum, beryllium, thorium, magnesium and zirconium) can be used at temperatures up to 2800° C. For more than 25 years, Norton has been pioneering in the development of high temperature refractories: bricks, grain, cements, special shapes; tubes, cores and muffles; laboratory ware.

Pure Oxide Refractories will advance research and development of high melting metals and alloys for industrial progress.

NORTON COMPANY
Worcester 6, Massachusetts

Behr-Manning, Troy, N. Y. is a Norton Division

NORTON REFRactories

FACT OR FICTION? A QUICK QUIZ ON TACOMA MAGIC

1. **DESTRUCTION-BY-ELECTRICITY** IS RAPIDLY BECOMING A MULTI-MILLION DOLLAR INDUSTRY IN THE DYNAMIC CITY OF TACOMA, WASHINGTON.

FACT OR FICTION?

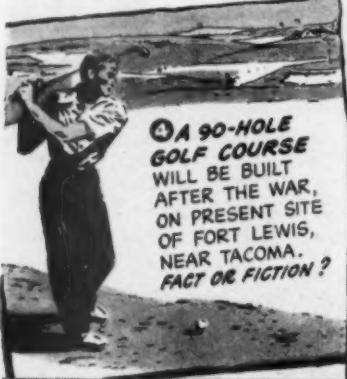


2. **EXPLOSIVES ARE MADE FROM FLOUR PRODUCED IN TACOMA.** FACT OR FICTION?



3. **DAFFODIL-KILLERS** ON FARMS NEAR TACOMA DESTROY ACRES OF GORGEOUS BLOOMS EACH YEAR, TO MAKE YOUR GARDEN PRETTIER.

FACT OR FICTION?



CHECK YOUR ANSWERS HERE:

1. Fact. By using electric power to break down raw materials, Tacoma is now making aluminum . . . adhesives . . . acids . . . insecticides . . . fertilizers . . . dozens of basic products for war and peace. Cheap and abundant electric power, plus nearby mines and forests, plus an excellent deep-sea port and fine rail transportation give Tacoma's electro-chemical industries unbounded opportunity in the world of tomorrow.

2. Fact. But it's *wood flour* . . . a strange and versatile new product, fine as talc, ground from selected trees 100-150 years old, and used also to make plastics, roofing and linoleum. Thousands of cars of logs and lumber products hauled by Northern Pacific have helped maintain Tacoma as the "Forest Products Capital of America".

3. Fact. In the Puyallup Valley, near Tacoma, growers produce one-third of all U. S. daffodil bulbs. The blooms *must* be picked, to develop large and healthy bulbs. But in peacetime, Northern Pacific will again bring tourists to see these flowers in the spectacular Daffodil Festival. Tacoma is also the principal gateway to Mt. Rainier National Park—one of the great scenic wonders of the world.

4. Fiction. Actually, the Fort's 96,000-acre area could accommodate an 8,640-hole golf course . . . but Tacomans are proud that the Army will maintain Fort Lewis as a permanent post. America's second largest military installation, Fort Lewis itself is as large as many important towns along the "Main Street of The Northwest".



NORTHERN PACIFIC
Main Street of the Northwest

REPORT TO EXECUTIVE

traveling expense, if you begin with nearest regional office.

• The "Briefalog"—Unless you already have your eye on a particular plant, RFC will start you off with its 155-page "Briefalog," which lists 879 of its facilities that it expects to sell sooner or later, and gives thumbnail descriptions of them. Up to late in May, the Briefalog listed only 94 of the plants at plant sites owned by the War Dept., but others were to be added as the Admin. made up its mind which it wanted to sell and which it would keep for standbys.

RFC also is getting out a set of four-page brochures giving more detailed information on each plant. On the basis of this, a prospective buyer will be able to decide fairly quickly which are worth looking over.

• Some Difficulties—Don't be surprised if you run into difficulties at this point. Disposal policies for surplus plants are still hazy, and in many respects, RFC does not have a free hand (BW-Sec 30 '44, p17). In the first place, it can't sell anything over \$5,000,000 in the seven classes named in the law—aluminum, magnesium, synthetic rubber, chemicals, aviation gasoline, iron and steel, pipelines—until Congress has approved its plans.

In the second place, the majority of its plants and plant sites (about \$4,500,000 out of \$6,055,000,000) are subject to purchase options held by the present operators. Notable exceptions are aluminum, magnesium, and synthetic rubber facilities. Some of the War Dept. plants also are subject to options, but the Justice Dept. is looking these over suspiciously and may step in if the holders try to exercise them.

• Option Objections—RFC thinks the comparatively few of its options will be taken up, not because there is anything wrong with them legally but simply because they are no bargain from the buyer's viewpoint. The standard option gives the operator the right to buy at any time up to 90 days after the plant is no longer needed for war work. The option price is either original cost, less depreciation (5% a year on buildings, 12% on machinery, 25% on portable tools), or cost less rentals paid, whichever is greater. Since most plants were built under wartime conditions with substitute materials and overtime wages, original cost usually runs higher than replacement cost. Consequently, most operators won't consider the option price a good buy.

Nevertheless, an option isn't just so much waste paper. For 90 days after the purchase period runs out, the operator still has the right to match the best

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REPORT TO EXECUTIVES

outside bid for the plant. That gives him the inside track.

• **Inspect—Discreetly**—If somebody else holds the option on the plant you want, you probably won't be able to clinch the sale until some time after the property has been declared surplus, unless the buyer waives his option, but you can start talking things over with RFC now. If military security rules permit, you can even make an inspection. Be careful about this, though. The Army doesn't like inspections—thinks it demoralizes the workers. Whenever you go through a plant clear with the Army first, and do your talking in the office, not in the plant.

If you hold the option yourself, or if you want a plant that isn't optioned, you can get down to business right away. RFC will sell, with the Army's permission, even before the plant is declared surplus, but the buyer has to agree to keep on producing military goods as long as needed (BW—Oct. 21 '44, p26).

• **Forgetting the Option**—Say you are now operating an RFC plant making something like gun carriages. You have an option, but you think the option price is too high because rush construction inflated the original cost of the plant about 50% over the probable postwar reproduction cost. In this case forget about your option and tell RFC you want to buy at a negotiated price.

To start the bargaining, figure out what you can pay for the plant and make a definite offer. Don't wait for RFC to name you a price. Except in unusual cases, it will wait for the buyer to make the first move.

• **Price Guides**—The price you finally pay will depend largely on how much competition you encounter and on how good a bargainer you are. RFC naturally intends to sell on the best terms it can get, but it won't hold out for full recovery of the original cost. It is prepared to use replacement cost less depreciation at regular accounting rates as a starting point. It will make allowances for the costs of conversion to suit the buyer's needs, and it will deduct for special features—extra-high ceilings, for instance—that the buyer can't use.

Before closing the deal, RFC will test the market by advertising that purchase negotiations are under way and inviting other potential buyers to make offers. At this point, you will have to waive your option and other purchase rights. If someone else offers more than you, he gets the plant; otherwise RFC will close the deal with you either at the price you have negotiated or at the new price established after advertising.

• **Credit Negotiations**—At the same time that you thresh out the price question



THE BIG QUESTION?

The conclusion of the struggle in Europe brings industry face to face with many problems. Conversion cannot be accomplished overnight. We cannot wait until the collapse of Japan.

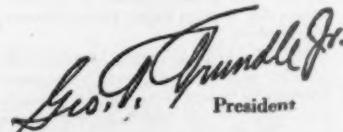
Both Uncle Sam and industry will need a carefully worked out plan whereby the transition from war to peace can be made in an orderly manner with a minimum of dislocation and a maximum of employment.

What's to be done with Government-owned plants that are adaptable to peacetime production, is a matter of vital concern for many industries.

Many industrialists must now determine just what their interest might be in Government-owned machine tools, cutting tools and other equipment which may be available. Surplus Goods present another tremendous problem. They must be made available on a basis that is fair to the taxpayers, and avoids speculation, profiteering or glutting the market.

In addition, each industry must plan for its allocation of raw materials for peacetime production as military requirements slacken. Conversion involves a multitude of plans. Some of them may call for outside help such as our organization is prepared to give on any management engineering problem.

Both industry and Uncle Sam must do more than scratch their heads.


George R. Trundle, Jr.
President



THE TRUNNLE ENGINEERING COMPANY

Brings to Industry and Business

26 Years OF CONSULTING MANAGEMENT ENGINEERING EXPERIENCE

GENERAL OFFICES • CLEVELAND • BULKLEY BUILDING

CHICAGO

City National Bank Bldg., 208 S. La Salle St.

NEW YORK

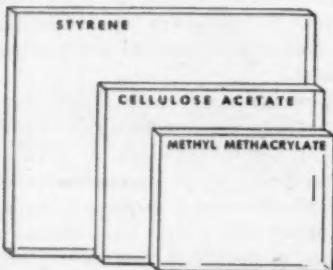
Graybar Bldg., 420 Lexington Ave.

So you want a CLEAR Plastic?

Clear-as-crystal plastic! . . . it has captured the interest of thousands who are producing or planning almost everything from airplanes to costume jewelry, packages to plumbing.

But what plastic to use? Everyone knows today that there is no one plastic. But many people don't realize that there's no one *CLEAR* plastic.

For example, Monsanto produces almost a half dozen different transparent plastics: LUSTRON (Polystyrene); FIBESTOS (Cellulose Acetate); NITRON (Cellulose Nitrate); VINYL BUTYRAL; STYRAMIC HT (Poly-dichlorostyrene).



10¢ WORTH "IN THE CLEAR"

Each of these plastics has different properties . . . tensile strength, impact strength, weight, resistance to wear, weather, heat, etc. . . . and different costs.

It happens that Lustron, which meets most service requirements, is least expensive, too. But if high temperatures are to be encountered, as in electronic insulation, Styramic HT the most expensive will be required. And if flexibility is demanded, as in interlayers for safety glass, Vinyl Butyral is indicated.

If you are searching for a clear plastic you will do well to consult Monsanto, where you will find expert, unbiased counsel based on experience with almost all types of plastics and clear plastics.

MONSANTO CHEMICAL COMPANY,
Plastics Division, Springfield 2, Mass.



Comprehensive brochures prepared by the Defense Plant Corp. fully describe the DPC plants—scattered from coast to coast—that are to be sold.

you can arrange credit terms for the sale. Figure out what you will need and then make RFC a proposition. It will look over your suggestion, and the negotiations will start from there.

In general, you will find RFC considerably more liberal with its terms than private credit sources. It has the plant for security. Its main idea will be to make the terms easy enough to encourage the buyer but not so easy that they will hurt his competitors. The terms will be tailored to each case individually. Down payments will vary but can go as low as 10%. The average will be closer to 20% or 30%.

If an option holder intends to exercise his rights after the war, he can get a solid commitment from RFC now covering the credit terms it will give him. This puts him in a position to wind up the whole transaction in a hurry when he decides to take over the plant.

• **Watch Justice Dept.**—One thing to watch as the plant disposal program develops is the attitude of the Dept. of Justice. Under the Surplus Property Act, the Attorney General is supposed to give an advance opinion on any sale of property costing over \$1,000,000. This may close the door on many prospective buyers, or make the terms of the sale more restrictive than they like. RFC is trying to get its signals set with the Justice Dept., but so far it hasn't succeeded in making all the machinery run smoothly. In cases where the sale is made before declaration of surplus, the Antitrust Division has, so far, taken

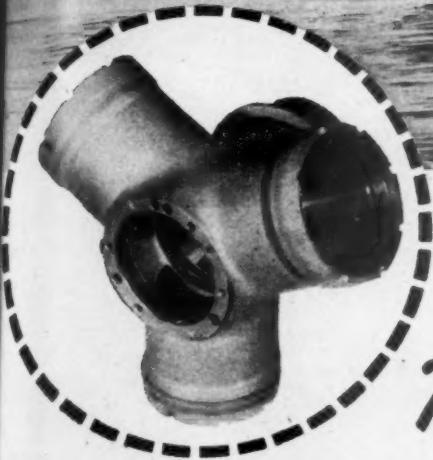
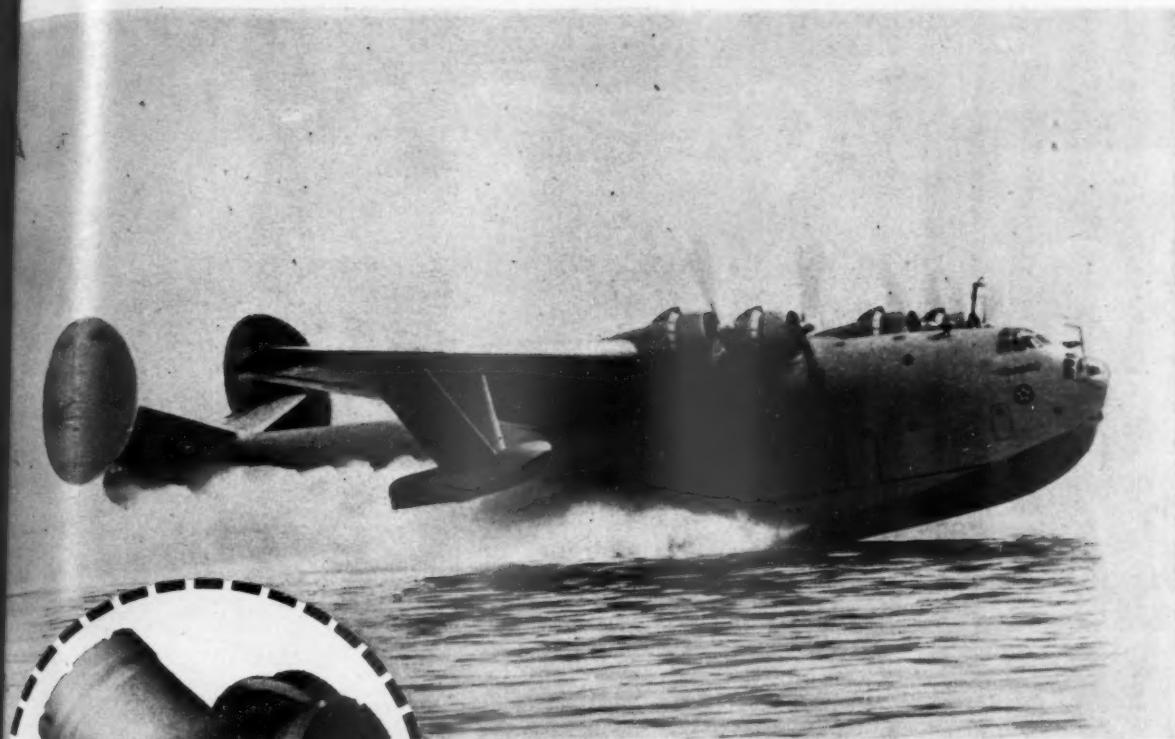
the position that the sale is not being made under the Surplus Property Act and has refused to state an opinion.

This point probably will be straightened out eventually, but other difficulties may arise. As a buyer, you will want to watch for them. If you run into trouble, consult with RFC and with your own lawyers.

• **Plants to Lease**—In some cases, RFC probably will want to lease plants rather than sell. It will have to do this with most of the plants in the seven categories named in the law unless the war lasts long enough to get a sales policy approved by Congress before they become surplus. Leasing also provides a stopgap in cases where RFC can't get the minimum sale price it wants or where there is no way of estimating the value of the plant to postwar operators. If a buyer doesn't have the money to make a down payment, RFC will lease to him for a few years rather than sell outright. The Justice Dept. strongly favors leasing as a means of measuring a plant's value and avoiding hasty sales.

RFC's ideas of a fair rental for postwar use are flexible, but it will shoot for about an 8% return on estimated replacement cost. If the operator doesn't want to use the whole plant, he will be able to make a deal whereby the government will keep part of it, perhaps to store movable surpluses, and will give him an offset against his rent.

• **Multiple-Tenancy**—The trouble with leases is that they postpone the disposal problem instead of solving it. There is always the danger that, in a



Where one pound of steel holds 7,500 times its weight

That may seem fantastic—but it's true. The strain imposed upon the hub of a 16½-foot, 3-blade propeller by centrifugal pull is 582,000 pounds. The hub weighs 77.6 pounds. Thus each pound of steel in it must hold 7,500 pounds of pull.

That's one reason for using Republic Electric Furnace Steel for hubs as well as for hollow propeller blades. But there's another very important reason.

Many costly man- and machine-hours are consumed by the 37 operations required to machine a 381-pound forging down to the hub shown above. Suppose a small imperfection in the steel should cause rejection at final inspection. All that time and costly work would be wasted—and many dollars lost.

Republic Electric Furnace Steels are the best insurance you can buy against such losses. These outstand-

ing steels are as CLEAN and SOUND as steel can be made.

They are consistently UNIFORM in performance and workability—because they are "targeted" to hit product and processing specifications on the nose every time. This can be achieved only in electric furnace melting.

If you employ mass production methods of manufacture, Republic Electric Furnace Steels can help you obtain maximum results—because

they are free from variables which upset established fabricating practices. And, too, these fine steels may be just what you will need to increase the salability of your products. Right NOW is the time to find out. And Republic—world leader in electric furnace steels—is ready to work with you.

REPUBLIC STEEL CORPORATION

Alloy Steel Division • Massillon, Ohio
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ELECTRIC FURNACE STEELS

"QUALITY" steels . . . alloy . . . stainless



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PLANTS IN 25 CITIES • OFFICES EVERYWHERE



MAZDA LAMPS FOR SEE-ABILITY

BETTER SEE-ABILITY FOR

THE EYES THAT WILL BUY



Good lighting answers the questions "How does it look?

"How does it fit?" For good lighting is your *extra* salesman that—silently but effectively—points up color and pattern and quality. And when you have *Westinghouse Lamps*

for your lighting you *have* that better See-ability that makes the sale *and keeps it sold*.

Westinghouse Lamps are designed for better seeing because they are precision-engineered.

Westinghouse Lamps move merchandise because they make it sales-inviting.

Westinghouse Lamps are efficient because they have the twin qualities

* of long life and dependability in every lighting application.

Why not have that better See-ability *today*? Ask your Westinghouse dealer for the bright, long-lasting lamps that mean more profit through better seeing.

Westinghouse Electric Corporation, Lamp Division, Bloomfield, N. J.

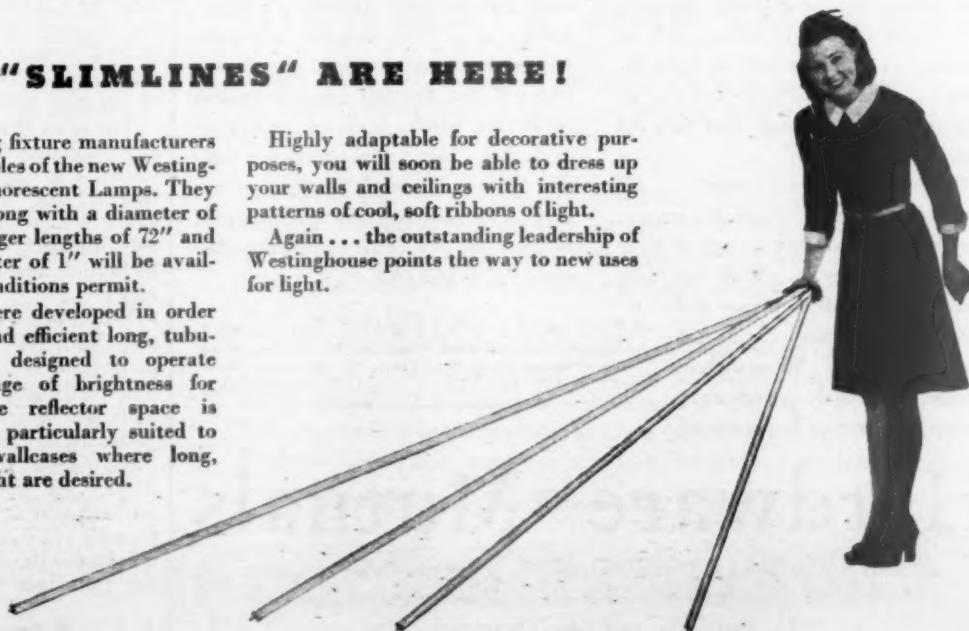
THE "SLIMLINES" ARE HERE!

Right now leading fixture manufacturers have the first samples of the new Westinghouse Slimline Fluorescent Lamps. They are 42" and 64" long with a diameter of only $\frac{3}{4}$ ". The longer lengths of 72" and 96" with a diameter of 1" will be available as soon as conditions permit.

These lamps were developed in order to provide safe and efficient long, tubular-shaped lamps designed to operate over a wide range of brightness for installation where reflector space is limited. They are particularly suited to showcases and wallcases where long, slender lines of light are desired.

Highly adaptable for decorative purposes, you will soon be able to dress up your walls and ceilings with interesting patterns of cool, soft ribbons of light.

Again . . . the outstanding leadership of Westinghouse points the way to new uses for light.





**"Nurses! Won't you come
and help save lives?"**



I'M FIGHTING pain, suffering, despair, death... I'm restoring the chance to live to men whose heroism and sacrifice have earned our everlasting gratitude... These men have fallen, sick or wounded... It's our turn to fight for them... Their need is urgent... To help them is a privilege that fills the heart with pride.

"But more of us are wanted... All the miracles of medicine, surgical science, fine equipment, are not enough if nursing care falls short... With mounting casualties, my fellow nurses and I are perilously close to being too few in number... We need help quickly, desperately—and every woman in America has a chance

This advertisement is contributed to the Army Nurse Corps recruiting program by Hardware Mutuals.

to fill that need." **How all women can help:** If you are untrained—take a home nursing or nurse's aid course. If you are a senior

cadet nurse—serve your final six months' training in an Army hospital. If you are a registered nurse—join the Army Nurse Corps. For full information and application blank, write or visit your local Red Cross, or communicate with the Surgeon General, Washington 25, D. C. Your help may mean the difference between life and death to our wounded men. **ACT TODAY.**

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period of economic slump after the war leaseholders would get out en masse and leave the government with the choice of closing down the plants or operating them itself. To a large extent the number of outright sales as compared with the number of leases will be an index of the success of the plant disposal program.

Both RFC and Smaller War Plants Corp. are studying the idea of selling or leasing large plants for use on a multiple-tenancy basis. The theory is that a number of small businesses could set up economically under the same roof, although no one of them could use all the floor space. This idea has been tried with varying success in private business—Bush Terminal in New York City is the outstanding example. Experts differ on its possibilities, but most of them think that comparatively few of the government-owned plants would be suitable. If you are interested, try the idea on your local chamber of commerce.

• **Buying Machine Tools**—Machine-tool sales will be governed by the same principles as plant disposal, but the procedure will be much simpler. Machine tools in government-owned plants are covered by the operator's option to purchase. These options are written on an all-or-nothing basis; if the operator buys the plant, he automatically pays for and gets the tools. Unless the tools are an integral part of the plant, RFC has no objection to selling them separately from the buildings. If an operator is negotiating for purchase, ordinarily he can include the tools in his offer or not as he chooses. In some cases where the contractor wants to take over government-owned tools already in his plant he will be able to buy direct from the owning agency, under rules prescribed by the Surplus Property Board, instead of waiting for the equipment to be declared surplus.

The same thing goes for most of the government-owned tools in private plants. The operator usually has an option to buy them, but it covers the whole lot. If he wants to take some and turn back the rest, he has to waive his option and negotiate like any other buyer.

• **Tool Price Formula**—Except for option deals, RFC sells standard general-purpose tools according to a price formula established by Clayton's SWPA. This uses original cost as a base but allows an immediate markdown of 10% if the tools are in the buyer's plant, 15% if they are not. This is to take out wartime cost inflation. In addition, the formula allows a depreciation of 24% a month for the first six months, 1% for the next four months, 0.8% for the

period of economic slump after the war leaseholders would get out en masse and leave the government with the choice of closing down the plants or operating them itself. To a large extent the number of outright sales as compared with the number of leases will be an index of the success of the plant disposal program.

PART

The "Guide to the disposal," of business management and organization to be found in surplus craft, manufacturing, and sales, imports and exports on war offers.

After 2 issues
parts of
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Copies
Executive
readers
forth in
"Guide
in the
reprint

BUSINESS

at 26. On this basis, the price of tools to a buyer who does not have them in his plant will range from 85% to 45.2% when they are 36 months old or more.

RFC is working on a similar formula for special-purpose tools but is running into trouble with it. As a general principle, it wants to establish a price equal to replacement cost deflated by special features or conversion costs. In a recent sale of a nonstandard boring mill, for instance, it took the catalog price and reduced it by the cost of standardizing the mill.

Very old tools (over ten years) and highly specialized items are being sold by competitive bid or negotiation. For a recent sale of a nonstandard boring mill, for instance, it took the catalog price and reduced it by the cost of standardizing the mill.

If a buyer knows just what tools he wants, he can file a list with the local office of the RFC now, and the disposal officials will watch for the tools as they become available. If they find a batch they think he will want, they will freeze it for a short period while he makes an inspection.

PART II—JUNE 2

The second part of this "Guidebook to Surplus Disposal," coming in the June 2 issue of *Business Week*, will provide management with similar practical and comprehensive information on the policies and practices to be followed in the disposal of surplus consumer goods, food, aircraft, maritime supplies, war housing, termination inventories, scrap and salvage. It will also carry an important and revealing section on war surplus pricing and bargain offers.

After publication of the June 2 issue of *Business Week*, both parts of the "Guidebook" will be made up into a single reprint. Copies of the complete Report to Executives will be available to readers under arrangements set forth in detail at the end of the "Guidebook" sections appearing in the June 2 issue. Please hold reprint orders until then.



Rollers Roll— AND TOMORROW'S HIGHWAYS ARE YOURS

When Bill's back, instead of taking they'll be making bridge-heads over rivers as part of the greatest era of building America has ever known.

All over the nation bulldozers, tractors, excavators, pavers and many another construction machine will shove, dig and smooth the earth, making way for new roads and structures.

Then, as in such equipment in the past, friction will be minimized, shafts kept in line, wheels, gears and axles turning with Hyatt Roller Bearings.

Not only in the construction field but throughout all industry, agriculture, in automotive and railroad equipment and in the machines of war, millions of rollers roll in the Hyatt Roller Bearings built into the equipment to do the job. Hyatt Bearings Division, General Motors Corporation, Harrison, New Jersey.

Buy More War Bonds and Keep Them

HYATT ROLLER BEARINGS



Accent ON EXPERIENCE

Outwardly sound . . . but is it? That's the boiler inspector's problem . . . his job to ferret out the hidden flaws which may cause catastrophe. No wonder that, here, the accent is on experience!

The same principle prevails in the manufacture of the vital connecting links between driving and driven units of powered equipment and machinery. Here, too, the accent is on experience.

That's why many leading manufacturers standardize on Twin Disc Clutches and Hydraulic

Drives . . . place their reliance in the experience gained by Twin Disc in more than 26 years of manufacturing precision-built power links for all industry.

If you have a problem of power transmission or control, why not draw on the experience of Twin Disc engineers? Their recommendations—"friction or hydraulic"—will be unbiased . . . given without obligation. Write the TWIN DISC CLUTCH COMPANY, Racine, Wisconsin (Hydraulic Division, Rockford, Illinois).

TWIN DISC
CLUTCHES AND HYDRAULIC DRIVES
REG. U. S. PAT. OFF.

SPECIALISTS IN INDUSTRIAL CLUTCHES SINCE 1918

WAR BUSINESS CHECKLIST

A digest of new federal regulations affecting prior price control, and transportation

Revocations and Relaxations

The flood of relaxations of War Production Orders following V-E Day continues. Among the orders revoked wholly or in part last week are the following:

Controlled Materials Plan—Priorities Regulation 1 and CMP Regulation 2, amended to permit stockpiling by allowing a person to receive, in anticipation of starting or resuming civilian production, the minimum amount of material he would need during the first 30 days of production, provided he gives priorities assistance or allotment symbols used.

CMP Regulation 5, amended to allow use of MRO ratings to buy processed aluminum foil for wrapping purposes for businesses listed in Schedule A of the regulation.

PR 13, amended to allow special sales of idle, excess, or surplus steel, copper and copper-base alloy, or aluminum, in commercial forms, to anyone without War Department authorization.

Orders M-9-c, M-9-c-1, M-9-c-2, M-9-c-4, which restricted the manufacture, delivery, and installation of many commercial products, revoked.

Order M-126, which prohibited the use of iron and steel in less essential civilian products, revoked. Controls over stainless steel, however, are maintained under Directive 2, Order M-24.

Utilities—Order U-1, amended to permit utilities to construct additions to their facilities involving up to \$25,000 worth of materials.

Directions 1 and 3 to Order U-1, revoked; also U-1-a, U-1-c, U-1-d, U-1-f, U-1-g, U-1-i.

Industrial Equipment—Order L-38, which covered production and delivery of industrial and commercial refrigerating and air-conditioning machinery and equipment, revoked.

Order L-42, restricting manufacture of electric sump pumps and electric central drainers (Schedule X), revoked.

Order L-89, covering elevators and escalators, revoked.

Order L-91, controlling commercial laundry, dry cleaning, and tailors' pressing equipment, revoked. Materials will still be controlled.

Order L-111, covering production and delivery of hand trucks and other handling equipment, revoked.

Order L-126, setting specifications for certain items of industrial and commercial refrigeration and air-conditioning machinery, also Schedules I, III, and VI of the order.

Order L-221, covering electric motors and generators, revoked.

Order L-222, governing production

standing, finishing, and maintenance machines; portable rug scrubbing machines; internal vacuum cleaners; blowers for cleaning purposes, revoked; materials will still be restricted, however.

Order L-226, restricting production of printing trades machinery, revoked.

Order L-250, covering electric motor controllers, revoked.

Order L-273, covering busways, revoked.

Order L-292, controlling production of food-processing machinery, revoked.

Order L-298, covering resistance welding equipment, revoked.

Order L-314, controlling the production and the delivery of lubrication equipment, revoked.

Order L-322, standardizing and simplifying production of jacks, mechanical, hydraulic, air, and electrically operated, revoked.

Order L-339, limiting copper and zinc in insulating plates, revoked.

Durable Goods—Order L-30-a, controlling production of galvanized ware, revoked.

Order L-59-b, covering metal plastering tools and accessories, revoked.

Order L-74, restricting oil burners, revoked.

Order L-75, governing coal stokers, revoked.

Order L-77, covering metal windows, revoked.

Order L-140-a, restricting patterns and quantities of cutlery, revoked.

Order L-161, covering electric fuses, revoked.

Order L-173, controlling floor and wall finishes, revoked.

Order L-182, covering the equipment used



SOCKET MODEL

As "cabinet" a tobacco tin, a tiny radio receiver is a tribute to the Dutch underground's ingenuity—and courage. Taking advantage of air raid confusion, workers at the Philips' radio plant in Eindhoven obtained parts for 3,000 clandestine sets to keep contact with the Allied world despite vigorous Nazi vigilance. The tobacco-tin set, one of the most compact, has two tubes—one a selenium rectifier—and works off house current.

Contact **KAYDON** *of Muskegon*

**FOR ALL TYPES OF BALL AND ROLLER BEARINGS
4 INCH BORE TO 120 INCH OUTSIDE DIAMETER**

Another KAYDON Creation

Illustration shows a KAYDON Double Row Taper Roller Bearing
16.000" x 24.000" x 7.375" for Heavy Duty Precision Grinder.

THIS KAYDON Bearing was specifically designed for use on the table spindle of a 116" capacity double-head, heavy-duty precision grinder. The grinder is made by a well known midwestern manufacturer. KAYDON bearings, designed and produced to meet the specific requirements of this grinder, have proven eminently satisfactory.

Here, again, is proof that it pays to counsel, in confidence, with KAYDON — specialists in the production of

all types and sizes of ball and roller bearings from 4" I. D. to 120" O. D. Don't compromise on a bearing that is not designed to meet your exacting needs. Contact KAYDON!

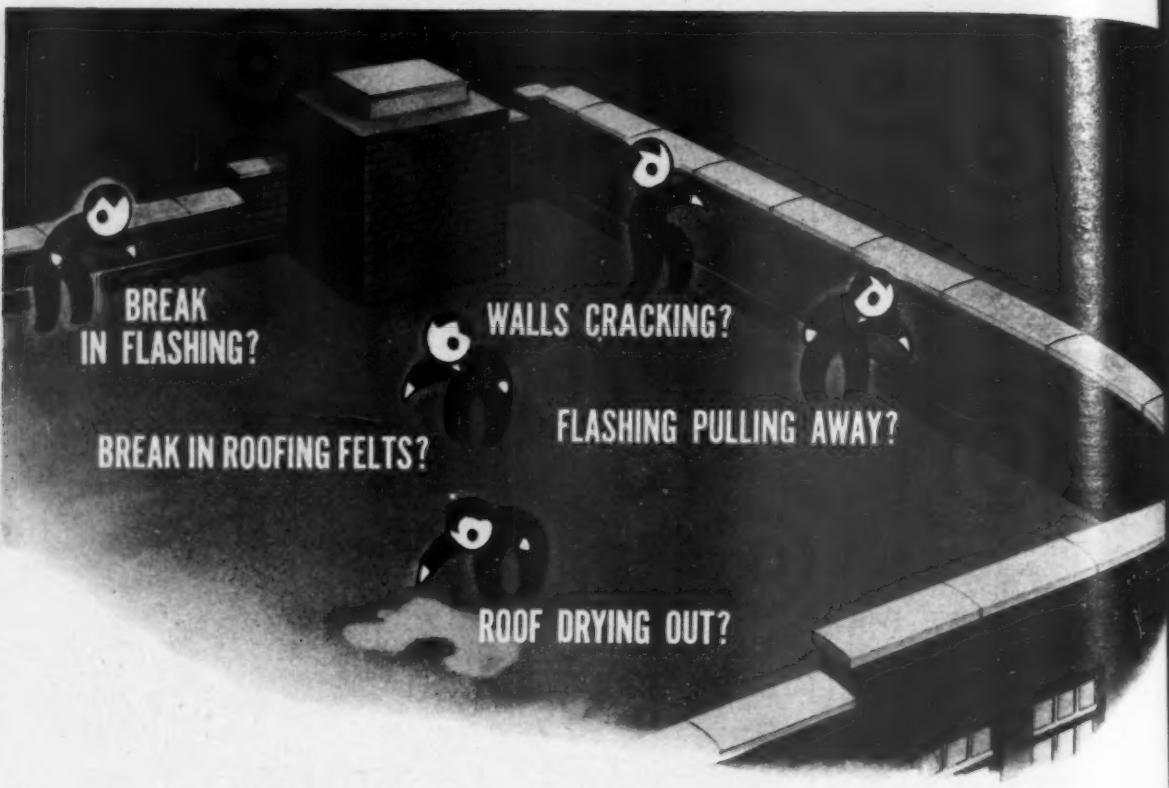
Note, too, that KAYDON provides atmospheric control in heat-treating, as well as flame hardening, precision heat-treating, metallurgical laboratories, microscopy and physical testing. Capacity for general production is increasing. Now is the time to plan ahead — with KAYDON!

KAYDON Types of Standard or Special Bearings:

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Ball Radial • Ball Thrust
Roller Radial • Roller Thrust

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Carey Roof Inspection Service tells you much without cost. For example:

The condition of your roof.

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OFFICE AND FACTORY: LENNOXVILLE, P. Q.

commercial cooking operations, revoked. Order L-187, controlling cast-iron boilers, revoked. Order L-190, governing production of scales, balances, and weights, revoked. Office Equipment—Order L-54-a, restricting production of typewriters, revoked. Order L-54-c, controlling all types of electric and nonelectric office machines except typewriters, revoked. Miscellaneous—Order L-21, which halted production of coin- or token-operated automatic phonographs and amusement and vending machines, revoked. Order L-27, prohibiting most coin- and token-operated merchandise vending machines, revoked. Order L-37-a, controlling production and sale of musical instruments and accessories, revoked. Use of materials is still restricted. Order L-93, prohibiting manufacture of civilian golf clubs, revoked. Order L-205, controlling production of use trailers and expandable mobile houses, revoked. Order L-267, controlling production of photographic equipment and accessories, revoked. Order L-275, restricting production of spring-driven and electric alarm clocks, revoked. Manufacturers may increase output whenever their military contracts have been filled. Order L-325, governing production of motion picture projection equipment, revoked. Materials remain subject to controls.

Increased Civilian Supply

Civilians may look for more than two and one-half times as many cells for dry batteries in the current quarter as were made in the first quarter of the year. WPB reports that in 30 to 60 days dry cell batteries will be available in large quantities for hearing aids, farm and portable radios, flashlights. The estimated second-quarter production of 794,000,000 cells, 261,000,000 are expected to go to civilians.

Lighter Restrictions

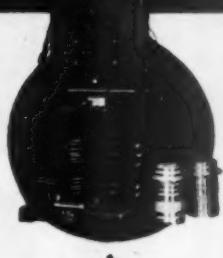
To provide fair distribution of carbon steel sheet and strip among steel warehouses and at the same time take care of heavy post-V-E Day war demands, WPB has ordered that steel warehouses must limit their orders for hot rolled carbon sheet and strip for any quarter, beginning with third-quarter deliveries, to 25% of their purchases from mill scheduled rollings during the year 1944. Cold rolled strip purchases per quarter are limited to 30% of 1944 purchases. If they prefer, however, warehouses may, instead of using the percentage formula, order up to 60 tons of combined hot rolled and cold rolled strip in any quarter. (Direction 1, Order M-21.)

Containers—With fiber containers and drums, steel drums and pails, and wooden boxes and kegs on the National Production Emergency List, manufacturers of these items are now entitled to higher urgency ratings or manpower when delivering on high-rated government orders.

PRECISION INSPECTION MANUFACTURING



← **VISUAL GAGE**, available in six amplifications, for checking external dimensions both in process and final inspection. Angularity of surfaces, angularity between a surface and a bore, surface run-out, pitch diameter of screw threads, internal dimensions, and other critical conditions can be checked with the use of standard and special accessories.



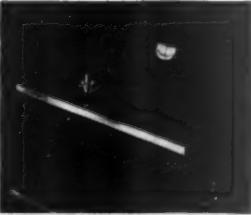
↑ **SHEFFIELD MULTICHEKS** inspect from 2 to 20 and more dimensions (both upper and lower limit) simultaneously in one operation. Savings in time, floor space, inspection and production costs normally offset the cost of a Multichek in from 6 to 12 weeks.



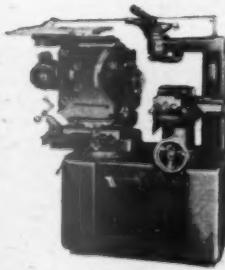
↑ **THE PRECISIONAIRE** is a flow-type air gage for measuring internal and external dimensions, bell mouth, out-of-round and average diameters of through, blind and step holes. It checks both GO and NOT GO limits in one pass very much faster and with 10 to 40 times less gage wear than can be done with fixed size gages. The human element of error does not enter.



THE SHEFFIELD INTERNAL-EXTERNAL MEASURING INSTRUMENT with Electrigage. →



↑ **TYPE C AIRSNAP** for checking external dimensions.



↑ **Multi-ribbed wheel, crusher roll and work part.**



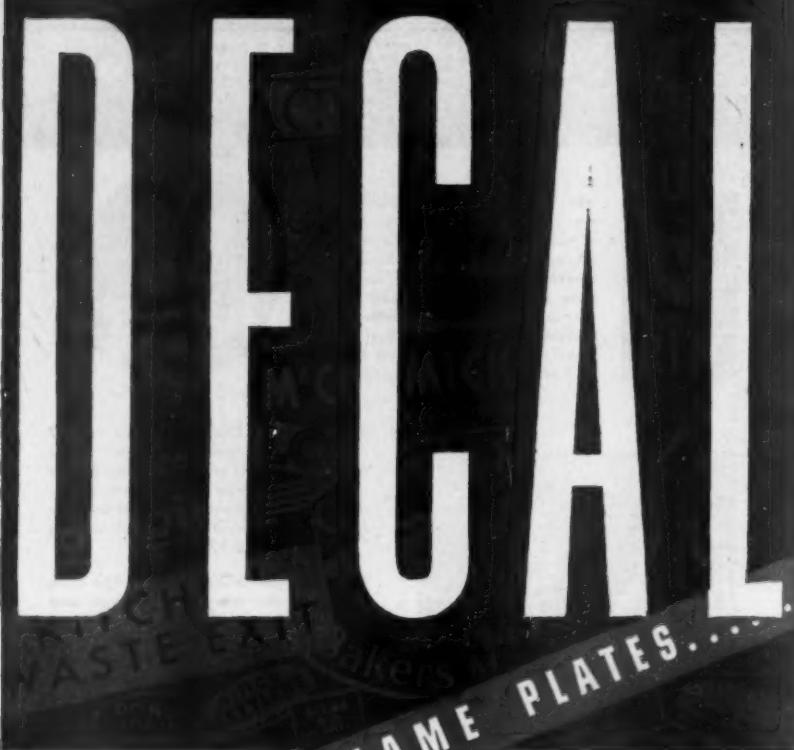
↑ **THE SHEFFIELD MICRO-FORM GRINDER** grinds any flat or circular form tool, profile work or wheel crusher rolls to an accuracy of .0003" directly from a 50 to 1 layout drawing—no template required. It saves up to 75% in machine time over conventional methods, especially on carbides.

↑ **This is the SHEFFIELD PRECISION THREAD AND FORM GRINDER** using the amazing crusher roll method of dressing a multi-ribbed wheel for the production of threads or forms by either plunge or traverse grinding. Can also be used as a conventional single point grinder.



THE SHEFFIELD CORPORATION

Dayton 4, Ohio, U.S.A.



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Flirting Fishers

Famed brothers' bid for auto concern stock is opposed by Hudson president but deal may come up again.

As expected, none of the changes in management or control of Hudson Motor Car Co. recently rumored as imminent (BW—Apr. 21 '45, p64) took place at the company's annual meeting this week. But there were some fireworks at the meeting which foreshadow one possible major future development—the entrance into the company as a large stockholder of the famed Fisher brothers, who last summer withdrew from General Motors Corp. (BW—Aug. 17 '45, p64).

• **Bid From Fishers**—Many Wall Streeters had recently suspected that something of the kind might be in the works and by last week rumor-inspired speculation in Hudson shares finally sent the stock soaring from an April low of \$12 to a price of \$34, a new 15-year peak.

Nothing official, however, had reached Wall Street ears until A. E. Barit, Hudson president, announced at this week's meeting that the Fishers had made an offer for the 400,000-odd shares of unissued Hudson stock, which would give them a 20% interest in the company, at a price of \$22.61 a share, or the 1944 year-end book value of the stock.

According to Barit, the offer was not received directly from the Fisher brothers. Instead, it was made in their behalf on May 12 by B. A. Tompkins, vice president of New York's Bankers Trust Co. After the meeting, Tompkins issued a statement indicating that he has not been representing the brothers in the situation but merely acting as a friendly personal adviser to the family of the late Roy Chapin, head of Hudson in its heyday.

• **Barit Opposes**—Barit's announcement of the Fisher offer set off the fireworks at the meeting. Acceptance of the offer was urged by one director, Carter Tiedeman, head of the Detroit regional war production board. When Barit, as the chair, opposed the Fisher proposal, Tiedeman walked out.

Barit's opposition, as he explained, was based on several factors. One was the declaration that company properties are worth much more than the figure at which they are carried on the com-

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pany books, and that these higher values made the Fisher offer too low. Again he questioned how many real advantages the Fishers could bring to the company.

• **Tiedeman May Return**—Tiedeman's demands for consideration of the Fisher offer as a means of stimulating product development and public interest in Hudson automobiles were so outspoken that it was felt he might continue his fight, in spite of his defeat at the meeting.

If he does, and if five pairs of Fisher eyes are still looking to Hudson as a means of returning them to the auto industry, Tiedeman might be able to win out. He arrived at the meeting with proxies for more than a fourth of Hudson's outstanding 1,500,000 shares. Representing interests of his family, Tiedeman held 150,000 shares. He had a proxy for the 190,220 shares of a Dutch investment group, Broekmans Administratiekantoor, largest individual holder. He also had other scattered proxies representing about 100,000 shares.

• **Flirtation By Fisher**—Whether the Fishers would still be interested in the Hudson situation after the battle at the stockholders' meeting was an open question.

Commenting on the premeeting rumors over the week end, the Fisher brothers described themselves as similar to village boys who flirt with a good looking girl, but only until a better looking one comes along.

But they did not explain whether they were still flirting with Hudson or whether another more interesting proposition had already appeared.

• **What About Odlum?**—Surprisingly, there was no word at the meeting concerning the attitude that might be taken toward the Fisher overtures by financier Floyd B. Odlum's Atlas Corp.

Last month that company revealed that it had purchased 50,000 shares of Hudson in the open market, and some Detroit and Wall Street quarters wouldn't be surprised if Atlas had purchased additional shares since then.

Textile Merger?

Ely & Walker's interest in Pacific Mills leads to rumors of new textile combination as dry goods firm expands rapidly.

The 77-year-old Ely & Walker Dry Goods Co. of St. Louis has long been one of the nation's leading wholesale dry goods houses. Its sales, boosted by a deluge of war orders, soared to \$92,000,000 in 1944, compared with 1938's \$28,000,000 gross. All through the war years Ely & Walker has been busily engaged in further strengthening its already strong trade position.

• **Rapid Expansion**—This aim has been accomplished largely through the purchase of former prominent competitors. Without the aid of any outside financing operations, Ely & Walker since late 1942 has paid out a total of \$7,500,000 in cash for the wholesale department of Chicago's Carson, Pirie, Scott & Co., for a 90% stock interest in Pittsburgh's Arbuthnot-Stephenson Co., and for the John S. Brittain Dry Goods Co. of St. Joseph, Mo., one of the Midwest's oldest wholesale firms.

It is now revealed, however, that these transactions are only one phase of the company's expansion program, that it has been reaching out into other branches of the textile field by making

extensive purchases of Pacific Mills stock. Ely & Walker's holdings have grown to 68,500 shares and now represent a 17% ownership of Pacific Mills, which manufactures and finishes cotton, woolen, and rayon fabrics.

• **Valued at \$3,300,000**—Ely & Walker's present holding of Pacific Mills stock has a market value of almost \$3,300,000, according to current New York Stock Exchange quotations. It is believed to have been accumulated over a period of time, though 5,100 shares of the stock were acquired just recently.

According to a Mar. 1, 1945, report to the Securities & Exchange Commission, Pacific Mills then had only one stockholder owning more than 10% of its shares. This was the New York brokerage firm of E. F. Hutton & Co., which had registered in its name 61,549 shares, 15.5% of the total outstanding. Hutton, however, is believed merely the owner-of-record, and many Wall Streeters wouldn't be surprised to learn that part, or possibly all, of this actually represented Ely & Walker stock.

• **Merger Rumors**—The news that the midwestern wholesale house had acquired such a large interest in Pacific Mills immediately started many Wall Street rumors that a new factor in the textile field is in the process of formation. It is obvious that the business of the two companies would dovetail nicely.

Pacific Mills, for example, is one of the largest makers of fabrics for wearing apparel and for such domestic goods as sheets and pillow cases. Ely & Walker is an important factor in the wholesale distribution of such items and also is extensively engaged in the manufacture of many of the same articles. It operates some 20 plants which, except for three making trunks, paper boxes, and hats, were all turning out knit goods, shirts, overalls, neckwear, lingerie, coats, dresses, and other miscellaneous garments.

• **Peak Earnings in 1919**—Thus far, there has been no sign that Ely & Walker is seeking anything more from Pacific Mills than the cordial relationship that would naturally accrue to an owner of 17% of its shares. The St. Louis company formally announced that it wouldn't seek representation on Pacific's board of directors. Skeptical Wall Street, however, is not yet convinced that there isn't something in the wind.

Ely & Walker, which registered its all-time earnings peak back in 1919 with net above \$2,425,000, has found it an easy job meeting dividend requirements on its 7% and 6% preferreds.

Since 1919, in fact, only in 1930,



CHARITY TO BANKING

New president of New York's Amalgamated Bank, sponsored by the Amalgamated Clothing Workers of America, is Michael M. Nisselson, successor to Adolph Held who was elected to the post 21 years ago—a year after the bank was opened. As assistant to the vice-presidents of the Federation of Jewish Charities of New York, Nisselson has supervised the raising and distribution of \$50,000,000 for philanthropic purposes in the past two decades. The bank, a milestone in labor history, has pioneered in checking accounts without stipulated balances, loans to government employees, and the sending of funds to distressed persons abroad.

This announcement appears merely as a matter of record as all of these Debentures have been sold.

\$19,500,000

Deere & Company

Twenty-Year 2 3/4% Debentures

Dated April 1, 1945

Due April 1, 1965

Price 102% and accrued interest

Harriman Ripley & Co.
Incorporated

Blyth & Co., Inc. **The First Boston Corporation**

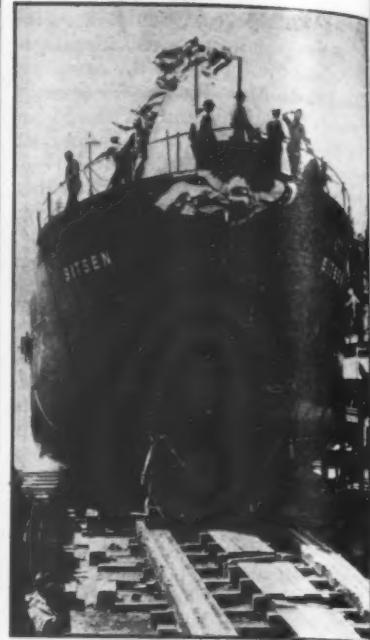
Lazard Frères & Co. **Mellon Securities Corporation**

Smith, Barney & Co. **Merrill Lynch, Pierce, Fenner & Beane**

Shields & Company **Union Securities Corporation**

Harris, Hall & Company **Bacon, Whipple & Co.**
(Incorporated)

May 16, 1945.



FOR THE NETHERLANDS

Down the ways goes the Dutch motorship *Sitsen*, first of 20 shallow-draft cargo vessels being built by Albina Engine & Machine Works, Portland, Ore., for the Netherlands East Indies Co. An \$8,000,000 contract for the ships marks the first sizable foreign shipbuilding in a U. S. shipyard in 22 years (BW-Mar. 31 '45, p38). Part of an East Indian rehabilitation and development scheme the vessels are built for the islands' shallow harbors.

Everyone's talking about World Security

BUT meanwhile here's security for you in the form of convenient Package Protection that insures against practically every kind of loss common to all owners of cash and securities and provides broad coverage on other property.

That's important, too. Losses are occurring every minute due to Dishonesty, Disappearance and Destruction of valuable assets...Our Comprehensive "Triple D" Policy is a continuing answer to your

worry over the safety of your cash, securities and other property. Here, at a cost no more than for separate policies and bonds our "Triple D" coverages include Blanket Fidelity, Premises Burglary and Robbery, Messenger, Safe Deposit, Forgery and Alteration Insurance all in one.

Crime and loss wait for no speech-making. Won't you call our agent or your broker about it now?

Triple "D" Policy is particularly adapted to needs of Commercial Concerns, Professional Firms and Manufacturing Companies.

AMERICAN SURETY COMPANY

100 BROADWAY • NEW YORK

Dependable

As America

NEW YORK CASUALTY COMPANY

AGENTS AND BROKERS EVERYWHERE

1931, and 1932 has the company failed to show a profit, and only in 1932 and 1933 did its directors believe it wise to omit dividends on the common stock. Except for the profitless years of 1930 and 1932, and also for 1931 and 1939 when only 50¢ was paid, dividends on its common stock have ranged between \$1 and \$2 during the 1930-1943 period.

Earnings of Ely & Walker in 1944, when sales soared 30% above 1943 levels, rose almost 50% to \$1,536,000 despite federal taxes of nearly \$8,000,000 and the setting aside of over \$1,000,000 as a postwar reserve.

• Stock Split—In 1944, the company changed its capital structure considerably. Part of this consisted of splitting up its preferred stock issues on a 5-for-1 basis by reducing the par value from \$100 to \$20.

However, the concern, in effect, declared a stock dividend for the benefit

A Partial List of Industries for Which Presstite has successfully Developed Special Sealing Compounds:

For the Aircraft Industry:
Sealers for Integral Fuel Tanks

PRESSTITE Compound Seals All Metal Joints in Army's Giant M4 and M6 High Speed Tractors

Fuselage Seams
Drop-off, Expendable Fuel Tanks
Gun Turrets
Synthetic Glass Instruments
Intercoolers
Air Ducts
Insulating Dissimilar Metals
Seaplane Floats

For the Refrigeration Industry:

Sealers for Domestic and Commercial Refrigerators
Bonding and Sealing Low Temperature Insulation in Refrigerated Rooms

For the Railroads:

Sealers for Insulating, Soundproofing, and Weatherproofing of Railway Cars—Sealing Car Windows and Spot Welded Seams

For the Building Industry:

Roof Coatings, Caulking and Waterproofing Compounds

For the Radio Industry:

Sealers for Radio Panels and Cases, Coil Impregnation—Many Communication Equipment Applications

For the Automotive Industry:

Special Adhesives and Sealers

For the Construction Industry:

Sealers for Jointing Sewer Pipes
Sealers for Waterproofing Excavation Work

Miscellaneous:

For Glazing Greenhouse Windows
Extruded Caulking Compounds
Ammunition Paints
Plus Many Special Products for the Army and Navy

Our Engineering, Technical, and Laboratory facilities are at the service of any industry with a sealing problem.

M4 Prime Mover in severe muddy terrain.

Placing Presstite Sealing Compound (Type SS-50) around engine inspection hole at rear of hull.

Applying Type SS-50 Sealer on closure between cab roof and front.

Weighing 18 and 38 tons, respectively, and manufactured by the Tractor Division of Allis-Chalmers, these units are the last word in power and speed in military tractors. Used to haul big guns over all types of terrain, these massive vehicles must be thoroughly sealed against moisture, mud, and water.

Presstite Sealing Compound Type SS-50, in extruded form, is used to seal all metal joints in the hulls, as well as to caulk front closure plates, bumper supports, and all joints between cab roof and side panels.

Again Presstite Sealing Compounds have proven their ability to stand up under the most exacting standards and the hardest conditions of use—just as they have successfully met the rigid requirements of military aircraft construction.

To industry at large, Presstite offers the same engineering skill and specialized experience that has developed so many varied types of sealers for wartime use. We are ready to work with you and your engineers on any sealing or coating problem. Just send us your requirements—now.

PRESSTITE ENGINEERING COMPANY
3936 Chouteau Avenue, St. Louis 10, Missouri



"Our BAKER TRUCK got us out of a TOUGH SPOT!"



Unloaded 28 Fifty-Ton Carloads of Steel ... Moved 1000 Tons from receiving platform to storage in First 3 Weeks

Before this large steel distributor purchased his Baker Truck, he faced an acute manpower shortage. Carloads of steel were crowded on his sidings, his receiving platform was jammed. *In the first three weeks of service, his Baker Crane Truck helped unload 28 fifty-ton carloads and moved 1000 tons from receiving platform to storage.* By doing work that formerly required 12 to 15 men, the truck is now keeping steel moving in this huge warehouse—about half of which is beyond the limits of overhead cranes. Illustration shows the truck loading about 4000 lbs. of bar stock onto a trailer, to be drawn by tractor to the loading platform. Truck also loads steel directly onto highway trucks, conserves manpower and saves time on many other material handling operations.

The new Baker Catalog No. 52 describes many case histories showing how Baker Trucks have solved similar problems in a wide variety of installations. Call your nearest Baker representative or write for your copy today.

BAKER INDUSTRIAL TRUCK DIVISION of The Baker-Raulang Company
2164 West 25th Street • Cleveland, Ohio
In Canada: Railway and Power Engineering Corporation, Ltd.

Baker INDUSTRIAL TRUCKS

of holders of its common stock. It gave them two new \$20-par shares for each of the old \$25-par stock and under the new setup, excluding the postwar tax refund, 1944 earnings on the latter by June 1 will have amounted to \$1.50, a definite hike in the equivalent rate last year on the old common shares.

During the last war Ely & Walker set up a \$1,200,000 reserve to cover possible postwar inventory price fluctuations—a fund that was used up by the end of 1920. This time it is being more conservative. By Nov. 30, 1944, it had built up a postwar reserve of almost \$4,200,000. Working capital at that date exceeded \$16,000,000, and capital and surplus totaled almost \$19,000,000, giving the common stock an equity value of \$46.71.

• **Wartime Comeback**—Pacific Mills was founded in 1850. Like many in the textile manufacturing field, its earnings were constricted after 1918 because of the industry's capacity to produce more goods than normally needed.

The current war, however, has at least temporarily changed that picture. Pacific Mills, which reported a \$2,531,000 deficit in 1938, could boast only three years later of sales twice the size of those in 1938 and point to a 1941 net of \$2,697,000. Although profits haven't been as large since then, 1944 earnings, despite lower sales and \$8,825,000 of federal taxes, still came to around \$1,870,000, or \$4.72 per share on its outstanding stock.

• **Position Improved**—In addition, finances at the close of 1944 were in excellent shape. Cash and U. S. governments were almost 2½ times the current liabilities of \$2,939,000 reported, and working capital was over \$23,300,000. There was likewise a postwar contingency reserve of \$5,372,000, and capital and surplus totaled over \$29,000,000.

STEEL REPORT FILMED

"Behind the Annual Report" is the title of a 35-minute moving picture prepared by the United States Steel Corp. in an effort to add interest and simplicity to its annual report. First shown at the annual meeting of the stockholders in Hoboken, N. J., May 8, it is now being taken on a round of the company properties, where the 300,000 employees will be given an opportunity to see it.

A considerable amount of the film's footage shows by picture pillars how the finances of the company were allocated for the past five years. Ample scenes are devoted to the multiple activities of the company directly tied up with war work.

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It's always "springtime" in your automatic toaster

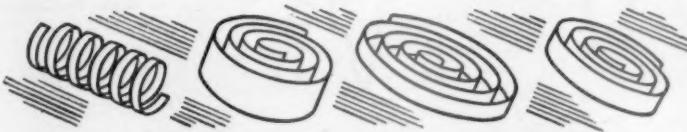


WHEN you set your toaster for light, dark, or medium, a *steel spring* times it for the shade of brown you like.

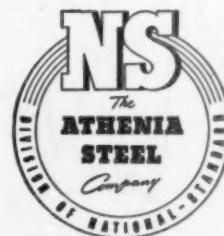
Many of these springs are made from special steels developed here at Athenia...steels engineered to meet rigid specifications. Smoothly polished surface is one important requirement so each layer of the spring may slide easily over the other. High elasticity is necessary to assure long life and freedom from permanent distortion. Tensile strength helps prevent cracking from over compression. And uniformity of structure is essential for even pull and accuracy of timing.

And for clocks, typewriter carriages, fishing reels, mark-time switches, and many other requirements, Athenia is producing the *precise spring for the job*, either in the form of wound springs or steel strip.

Providing a combination of properties to meet particular requirements has been the work of Athenia for more than 30 years. If you have a precision steel problem that involves stock in widths of $\frac{1}{16}$ " to $6\frac{1}{4}$ ", thicknesses of .0015 to .062, annealed, cold-rolled, tempered or tempered polished and colored, try Athenia personalized service.



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COLD ROLLED, HIGH-CARBON
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ROUND STEEL WIRE, SMALL SIZES



WAGNER LITHO MACHINERY CO.
Hoboken, N. J.
LITHOGRAPHING AND SPECIAL
MACHINERY

PRODUCTION

Paper Won't Ease

Shortage is expected to get worse before resumption of pulp imports brings relief. Big packaging job is facing Army.

Victory in Europe isn't going to ease the shortage in paper, paperboard, containers, or bags for several months. In fact, the situation is likely to get worse before it gets better.

• **Exacting Task**—As in the case of lumber (BW—May 19 '45, p31), military demand is holding high. Besides the job of repackaging goods for reshipment from Europe to the Far East (a task that may be even more exacting than original shipments, because of climatic conditions and lack of docking facilities), there is the matter of increasing westward movement of supplies from this country.

Add to this the demand by industries undergoing reconversion to civilian production, and for relief supplies, and the short-term outlook is one for a critical bottleneck in packaging materials. Im-

provement may come in the third quarter of 1945, but hardly sooner.

• **More Pulpwood Sought**—How fast this bottleneck can be broken depends on the time required for redeployment operations and for filling the military pipeline across the Pacific, as well as the success of present efforts to expand pulpwood output by stepping up employment in the logging areas. Release of Swedish pulp may also help.

(Government and industry alike are concerned lest public apathy result in a decline in wastepaper collections. Salvaged paper is a big item in manufacture of paperboard items, so wastepaper drives will continue unabated for some months.)

Just how tight the situation is may be judged from the fact that WPB recently ordered paperboard manufacturers to set aside 50% of their production for war uses, increasing the set-aside from the 40% in effect since last summer, and that containerboard, including solid and corrugated fiber sheets, sulphate wood pulp, and fiber containers and drums, has been placed on the National Production Urgency List to assist manufacturers in getting needed manpower.

Paper and paperboard are produced

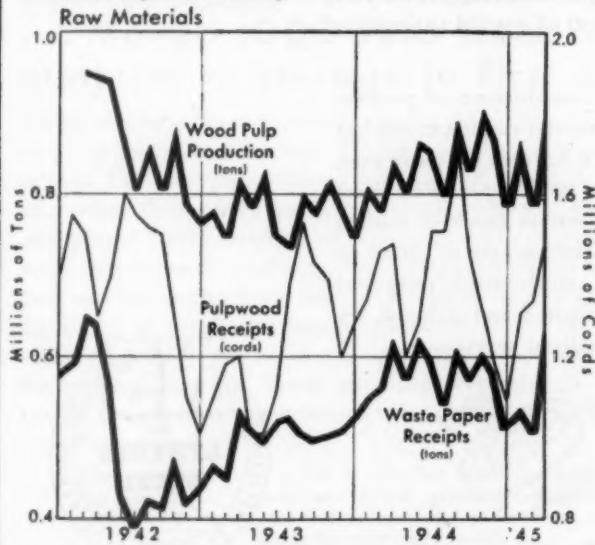
chiefly from pulpwood and wastepaper, the proportion varying widely depending on the end product. Most paper uses nothing but pulpwood (or its intermediate product, wood pulp); paperboard uses large quantities of wastepaper (proportionately more has been used as the war progressed to stretch the pulp supply).

• **Supplies From Abroad**—Cutting the United States, to supplement domestic production, imports pulpwood, wood pulp, and newsprint from Canada (three-fourths of our newsprint comes from Canada), and before the war imported wood pulp and some newsprint from Sweden, Norway, and Finland. Our Scandinavian supplies were cut off by the war, and Canada was unable to maintain its shipments at the levels attained in 1942 and 1943.

Largely because of manpower shortages in the woods, Canada's exports to this country have dropped as follows: pulpwood, from 1,805,000 cords in 1942 to 1,382,000 cords in 1944; wood pulp, from 1,195,000 tons in 1942 to 1,270,000 tons in 1943 to 1,077,000 tons in 1944; newsprint, from 2,790,000 tons in 1942 to 2,410,000 tons in 1944.

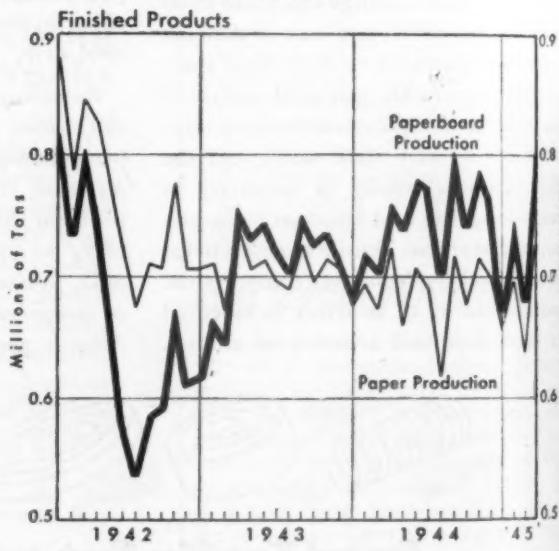
• **Civilian Uses Held Down**—By stringent regulation of civilian uses for paper and paperboard, and by reducing inventories and exports, WPB has held total U.S. consumption of wood pulp and pulpwood in line with available supplies.

PULP, PAPER, AND BOARD—STILL NIP AND TUCK



Data: War Production Board, Dept. of Commerce.

After a year-end dip, the flow of both paper and pulp has picked up and steadied at mid-1944 levels. Prospect is for the industry to hold to current rates, for finished product output is now closely geared to the raw material inflow, and manpower for pulp-cutting will not loosen quickly. Military as well as civilian demand is certain



to remain large for the next few months; so supplies for low priority consumers will not improve much. For the longer-run reconversion, demand will sustain today's total output if not lift it, but later easing in military needs for paperboard will go to restore paper production, which has been curtailed during recent years.

GET YOUR "COST RECORDS" SET NOW FOR RE-CONVERSION!



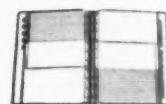
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Rotary Files
in the Fruehauf
Trailer Company "cost depart-
ment" proved a life saver in handling
price and cost information on more
than 60,000 parts and sub-assemblies.



during the war, while meeting military and essential civilian requirements.

This involved curtailing consumption from 11,364,000 tons in 1941 to 10,533,000 tons in 1943, with the 1944 consumption climbing to 11,050,000 tons. Exports dropped from the 1942 high of 378,000 tons to 196,000 tons in 1944, inventory from 872,000 tons in 1942 to 337,000 at the end of 1944.

Strenuous efforts to increase waste-paper supplies (on the average more than one pound is used for each two pounds of wood pulp) succeeded in raising receipts from 5,921,000 tons in 1941 to 6,937,000 tons last year. But here again consumption outran receipts, and inventories were sacrificed.

• **Steady Output**—Over-all domestic production of paper and paperboard has held relatively steady during the war years at slightly more than 17,000,000 tons annually. But the end uses have varied according to wartime necessity, and military needs have been taken out of normal civilian requirements. (WPB estimated last year that paper and paperboard purchased directly for war purposes, including armed services and other government agencies, export, and war plants, took 38.6% of total production.)

One result has been a reduction in the proportion of paper manufactured, from 53% of total paper and paperboard

output in 1942 to 48% in 1944, and a corresponding increase in paperboard, largely because of demand for containers.

• **Production Picture**—Here is the way the "squeeze" has affected typical classes of paper: Newsprint supply (domestic production plus imports) dropped from 4,026,000 tons in 1941 to 3,492,000 tons in 1944; book paper production from 2,025,000 tons to 1,444,000 tons in the same period; coarse paper (bags, asphalt papers, kraft wrapping paper, waxing paper, gummed tape are examples) from 2,605,000 tons to 2,314,000 tons in the face of increasing military and war plant demand for many types; tissue from 175,000 tons to 158,000 tons; building paper from 917,000 tons to 881,000 tons.

Proving that it takes a lot of paper work to win a war, production of fine paper, used for letters, index cards, commercial printing, and the like, countered the trend by rising from 950,000 tons in 1941 to 966,000 tons in 1944. WPB estimates that 85% to 90% of fine-paper production is used by the armed forces, the government, and war industries.

• **Container Board Rises**—In paperboard, the production trend was largely reversed. Output of container board, used in fabricating corrugated and solid fiber shipping containers, rose from 4,184,

000 tons to 4,228,000 tons; folding board (cereal boxes are an example) from 1,869,000 tons to 2,116,000 tons; tube stock (ammunition tubes, cans, and many substitute containers for metal cans) from 184,000 tons to 433,000 tons; building board from 1,051,000 tons to 1,087,000 tons. Set-up boxboard, the kind used in candy and shoe boxes, dropped from 1,004,000 tons to 750,000 tons.

Paper and paperboard production showed a modest gain (0.6%) during the first quarter of 1945 over the corresponding 1944 quarter, but still was 2.4% under the quarter's goal. Paper exceeded its WPB authorized minimum by 1.6%; paperboard missed its goal by 5.8%.

• **Looking to Canada**—Government and industry are bending every effort to expand production in the months ahead. Besides continuing use of lighter weight papers to get more area per pound of product (American newspaper publishers are again slated to confer with Canadian newsprint manufacturers regarding the feasibility of changing from a 32-lb. to a 30-lb. sheet), the U.S. is looking to Canada for increased pulpwood and wood pulp and to Sweden for pulp. These factors are in addition to drive for more manpower in our own woods.

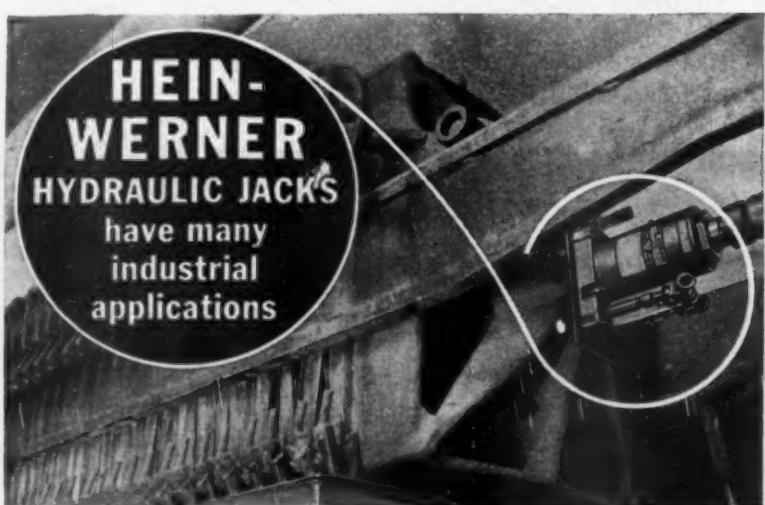
Canada hopes to increase its output of pulp and paper 5% to 6% starting in the third quarter of this year.

Swedish pulp is a big question mark. Sweden is purported to have a stockpile of 700,000 tons of pulp. There is the job of clearing mines from shipping lanes. (Several shiploads of supplies, including one of pulp for the Argentine, did leave this week.) Since Sweden will participate in the United Maritime Authority, direction of the bulk of its tonnage presumably will be to meet the priority movement of war material, troops, and commodities. What space will be allocated to pulp movement is uncertain.

• **Little Relief Foreseen**—The Bureau of Foreign & Domestic Commerce holds that it may be July 1 before any reasonable estimate can be made of the quantities or destination of Swedish pulp which may be moved during the third quarter. Wherever the pulp goes, however, it will tend to ease the situation in this country by relieving the United States and probably Canada of the pressure to supply those nations from North American production.

Domestic price ceilings on pulp are said by Swedish mill men to hamper shipments to the United States, but the government is resisting suggestions that Swedish pulp be allowed to come in at an average of "not more than 5%" over those ceilings.

The general picture, then, in the opinion



For example--30 Ton Capacity Hein-Werner Jack enables one man to close 36" filter press in 30 seconds

Take a look around your plant, and you'll find many opportunities to use Hein-Werner Hydraulic Jacks. They are great for lifting heavy loads, moving heavy machinery or materials, pressing bushings, gears, pinions, etc.

Super-powerful, easy-operating H-W Jacks are made in models, of 3, 5, 8, 12, 20, 30 and 50 tons capacity.

Ask your industrial supply distributor, or write us for details.

HEIN-WERNER MOTOR PARTS CORP.
WAUKESHA, WISCONSIN

... of WPB paper and pulp experts, is for continued and possibly increasing tightness in paper and paperboard well into or through the third quarter, with little likelihood of any relaxation of current controls till the end of this year.

Writes Anywhere

New fountain pen with a ball bearing point will be made by two companies. Cartridge of nonliquid ink is replaceable.

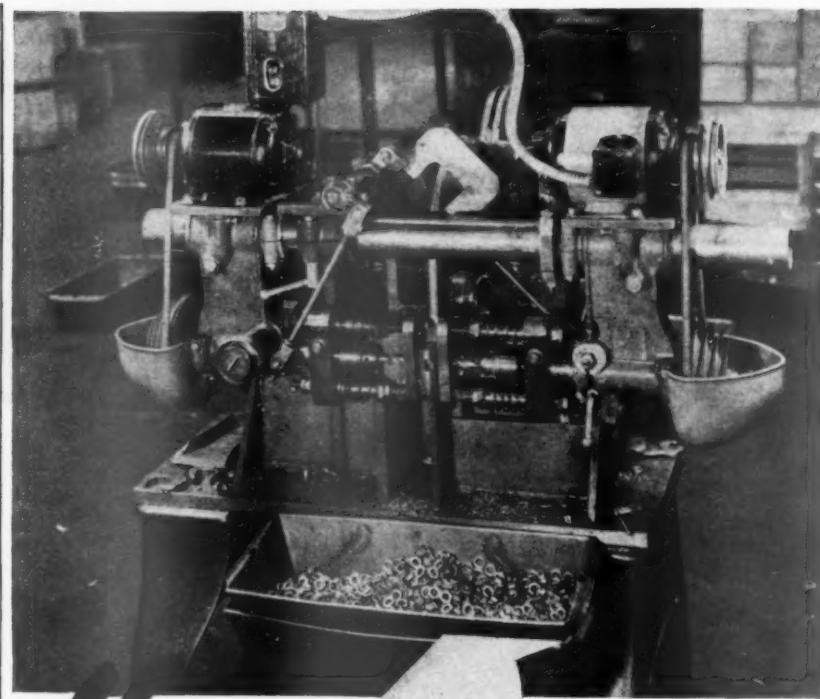
The radically new fountain pen with a ball-bearing point, which has been heralded for a number of months in several magazines as being on its way from Argentina, came appreciably nearer the civilian user's hand this week with the announcement that it will soon be available to our armed forces.

• **Two Manufacturers**—The invention of a Hungarian by the name of Ladislau Biro, it will be manufactured by both Eversharp, Inc., Chicago, and the Eberhard Faber Corp. (new subsidiary of Eberhard Faber Pencil Co.), Brooklyn, under exclusive license from the Eterpen Co., Buenos Aires. What the American name or names of the Eterpen will be, neither company had decided at midweek.

Each full-sized pen will be equipped with a replaceable cartridge containing enough of a special, dry-writing, viscous ink to provide over 250 hours of writing; pens for the vest pocket or handbag will hold about half that quantity. Cartridges, which will come in a considerable range of permanent and washable colors, can be replaced as easily as a razor blade in about 20 seconds. That the pen can neither leak nor drip its nonliquid ink, even at high altitudes in an airplane, is only one of its claims.

• **Writes Under Water**—Since the miniature ball bearing constituting the pen's point is to be manufactured of a hard, noncorrosive alloy, and is lubricated by the ink, the writing tool is said to be smoother in action than the softest lead pencil and to be capable of writing on cloth or paper while submerged in water.

Proposed postwar uses range from everyday writing and laundry marking to barographs and other recording instruments. Sole hitch to its full utilization in business correspondence and check-signing is that signatures written with it may lack the characteristics of those scribed with orthodox, flexible, quill-type pens and are likely to look more like printed signatures on processed form letters.



Here the extra cost of a special machine is saved..

with stock-model Delta units

A typical war production experience showing how to cut your investment risk in retooling—yet maintain volume and quality:

1. Use standard, low-cost Delta components to build your own high-production, special-purpose machines — quickly convertible to other uses when requirements change.
2. To modernize your present machines that are rapidly approaching obsolescence, replace worn elements with regular, stock-model Delta units.
3. Utilize the portability and compactness of Delta-Milwaukee Machine Tools, to revise or supplement production-line layouts for the best sequence of operations.

• **Automatic Screw Machine Products Co.**, Chicago, Ill., was faced with the problem of making fully automatic the countersinking of aircraft nuts before tapping.

Like many another war plant, the firm found the answer in the versatility of Delta-Milwaukee Machine Tools . . . in their ability to operate in any position—upside down, sideways, or at an angle — without lubrication problems.

Two low-cost Delta 14" Drill Presses were mounted "face down" on the same column, to make a high-production machine

suitied to the specific job requirements.

The former rate for countersinking on a hand-operated machine was 1500 pieces per hour. The special set-up (illustrated) turned out 4800 pieces per hour — more than three times former production!

Delta's savings in cost, weight, and space are not obtained at the expense of quality. They result from advanced design and from quantity production of standard models.

Low-cost Delta units and the ingenuity of your engineers may be the solution to your changing production problems. Investigate the many advantages of tooling up with famous Delta-Milwaukee Machine Tools.



Machine Tools

Delta's 76-page Blue Book provides case histories of 140 production ideas that got results. Helps you more clearly visualize the almost unlimited money-saving applications of Delta-Milwaukee Machine Tools. Also available is a catalog of these low-cost machine tools. Request both, using coupon below. MA-21

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Newest handtool for inspecting the bore of almost any kind of mechanical component is the DuBo Gage, manufactured by the Standard Gage Co., Inc., Poughkeepsie, N. Y. It is a plug gage



ARE YOU ...tied to a POST-war plan?

Why limit yourself to a post-war plan based only on your present plant facilities? You might find yourself hauled up short of your hoped-for markets by unexpected complications in reconversion. And how about that problem of tooling up for your post-war program? Give your plans—and your plant—added scope, flexibility, and capacity, by determining how Taft-Peirce Contract Service can help you get ready, and how it can provide whatever expansion room you need, exactly when you need it. Taft-Peirce Contract Service offers you help at every step on the road to production—design, pilot models, tools, dies, gages. It embraces production itself, whether of a single part or of complete assemblies, built in quantity. Any phase of this service may be engaged separately. Or you may engage it in its entirety, as a complete annex to your own plant. No job is too small, none too large. And there's no time like the present to discuss the details. Write to The Taft-Peirce Manufacturing Co., Woonsocket, R. I.



FOR DESIGN, TOOLING, CONTRACT MANUFACTURING...

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the spherical type, the gage head being a relatively thin disk which is a center or equatorial section of a sphere. Small sizes from 0.240-in. to 1.510-in. diameter have the go and not-go gaging members attached to the opposite ends of lightweight metal handle. Larger sizes from 1.516 in. to 6.010 in. are single end gages, individually mounted on palm-fitting plastic handles.

Insertion of a gage head into a bore is facilitated by two ingenious chamfered sections diametrically opposite each other (above). An inspector simply tilts the gage head slightly (thus reducing its effective diameter), slips it to any depth desired in a given hole, and straightens it up to bring it back to true diameter. The gage enters a bore easily without force or risk of marring surfaces.

Conductive Cloth Tape

First application for the new EC (electrically conductive) Tape developed by Pacific Mills, 214 Church St., New York, will be as one or more layers in otherwise insulated electric cables for carrying off induced currents and eliminating corona discharges. Other applications, which may eventually range from soft, nonmetallic heating elements in electric blankets and garments to lightweight shielding for aviation instruments, are being sought and explored.

The cloth tape, which can be cut

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Gage

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age Co., Inc.
plug gage

practically any width and thickness if ordered in volume, is impregnated with carbon black by a process for which patents are pending. It is not conductive in the sense that copper is conductive, since its resistance to electricity would be many times as great. Resistance of tape already made experimentally runs all the way from a few hundred ohms on a 4-sq.in. area to several megohms.

Improved Grinder Attachment

Seven months ago, the Strong Mfg. Co., 5512 Westminster Ave., Philadelphia 31, brought out the Strong Multipurpose Grinding Attachment for increasing the availability of surface grinders by making them capable of finishing cylindrical forms up to 6 in. diameter, tapers, shoulders, squares, hexagons, pentagons, flutes on reamers, etc., between centers (BW—Sep. 30 '44, '48). Now it is bringing out an improved model which adds a detachable collet-holding face plate and 15 collets to its equipment for handling rods or tubes in outside diameters from 0.093 in. to 0.562 in. If the latter work is too long for the attachment's normal center distance of 6 in., it can be extended through the collet somewhat after the manner of a screw machine.

THINGS TO COME

Downy fibers of glass with an average diameter of only 0.00005 in., hence far finer than a baby's hair or the veins in a housefly's wing, will be available almost any time now as an acoustical material to minimize the noises of the busiest office or the most active refrigerator motor. Laid up into blankets, the nonflammable down is now insulating military airplanes against engine and propeller noise and giving extra dividends to their crews by protecting them against extremes of heat and cold. After the war, the attenuated new form of Fiberglas is expected to simplify acoustical control in television, radio, and motion picture studios.

• Uncaponized capons will become peacetime delicacies if certain poultry scientists have their way. Instead of emasculating a rooster at an early age and rendering him unavailable as a breeder, they would permit him to propagate his kind until he is too old and tough to be edible, then add estrogens, or female hormones, to his feed, and render him plump and tender for the table.

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Proper training increases efficiency

A film training program provides a superlative method for teaching jobs to new employees and for teaching job improvements to skilled workers. There is a best way to do each job. Show the approved system or operation on the efficient RCA 16mm Projector — it's easy to operate, simple to maintain.

RCA engineers have designed a projector that provides brilliant illumination and quality sound reproduction. This careful engineering is backed by RCA's constant research into the development of picture and sound reproduction. RCA projectors are built to give dependable performance under hard usage.

For detailed information on the RCA 16mm Sound Film Projector send for descriptive booklet. Write: Radio Corporation of America, RCA Victor Division, Dept. 70-166F, Camden, N. J.

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A Watchman forfeited his life and three war plants were destroyed—BECAUSE (1) He did not know location of nearest alarm box. (2) He ran to get private hose to fight blaze, found it disconnected, became panic-stricken.



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FM Must Wait

FCC postpones decision on bands for frequency modulation broadcasting until fall. Delay affects television plans.

Postponing its decision on the future place of FM (frequency modulation broadcasting) in the radio spectrum, the Federal Communications Commission last week announced the postwar allocations of the radio services in the shortwave bands above 25 megacycles.

• **Decision Deferred**—The commission's action gave official status to proposals made earlier in the year (BW—Jan. 20 '45, p17), but omits a definite allocation of the region between 44 and 108 mc. within which the FM bands will be located.

This omission resulted from the spirited stand taken by Maj. E. H. Armstrong, FM's developer and biggest booster, against the FCC proposal to move FM from its present position, 42-50 mc. to the high frequencies, from 84-102 mc. (BW—Feb. 3 '45, p64).

The commission had argued that such a move would insure against long distance interference, which is experienced occasionally on the lower band, and which might mar the quality of future FM service, particularly during years when sunspot activity is at a maximum.

• **War Secrets Told**—Armstrong, backed by a considerable segment of the industry, retorted that the interference was negligible and that the move would make all present FM receivers obsolete, and would require the 50-odd FM

broadcasters to junk a large part of the investment.

In the heat of the argument, a second conference was arranged at which Armstrong and other experts revealed facts regarding the behavior of the wavelengths in question discovered during the war but still closely guarded military secrets.

• **Three Regions Available**—FCC, still unconvinced, is planning to arrive at a decision by next fall, and further experiments will be conducted during the summer by a joint committee representing the industry and government.

Meanwhile, it is known that FCC must choose the FM band from three alternative regions: near its present position at 50-68 mc., in a compromise spot at 68-86 mc., or in the higher region which started the argument, 84-102 mc. Whatever FCC decides, the band selected will have the effect of making obsolete all present FM receiving equipment. But this was inevitable, in any event, because of the proposal to increase the size of the FM band to accommodate a possible 3,000 or 4,000 stations.

Questions remaining are the extent of the interference and the relative efficiency in covering the listening audience. Armstrong argues that the band around 100 mc. will serve fewer people because high power stations may not be too practical at the frequency, and because the high frequencies are blocked more effectively by mountains and other obstacles. FCC engineers argue that there is little to choose from the standpoint of coverage, and return to the interference argument.

• **Industry Opinion Divided**—The attitude of the radio industry toward postponement of the decision on FM is mixed. Many are relieved that the up-

CONTACT MEN

Ready to storm the citadels of U.S. fashions, Lucien Lelong (left) and Raymond Barbas, Parisian stylists, arrive in New York as the advance scouts for a mission from the French Ministry of Industrial Production. With manufacturers and unions closing ranks to protect the U.S. garment industry's wartime gains (BW—Sep. 30 '44, p32), the mission is treading softly. It denies any thought of "immediate commercial negotiations," is aiming only at a renewal of "traditional contacts."





"LIKE THE THRILL OF YOUR FIRST CAR!"



Your first car, remember? Sure, it gave you a real thrill and a million dollars worth of enjoyment. That's the same kind of thrill you're going to have again when you move into one of the beautiful new post-war homes the building industry is planning for you. Greater comfort, more light, better layout of rooms, new Gold Bond Building Products for greater permanence and wealth of step-saving improvements. All-in-all, a more valuable place where you can really relax and enjoy life. Better than anything you've ever seen before. Better than anything you even pictured!

Or maybe you have your heart set on modernizing the old home. That's no job at all with handy panels of Gold Bond Gypsum Board. Nailed directly to 2 x 4's or applied right over the old materials, these

fireproof panels convert shabby-looking rooms into modern interiors like magic.

No matter how old the house, Gold Bond Rock Wool Insulation can be installed at small cost for greater year 'round comfort and lower fuel bills.

How about redecorating? The new 1-Hour Sunflex wall paint covers practically any surface in one coat—even most wallpapers. Supplied in charming post-war tones that will give the whole family a lift.

Whether it's a new home or modernizing, see your local Gold Bond Building Material Dealer first. He is an authority on building and will be glad to sit down with you and discuss whatever work you have in mind. His job is to keep posted on new post-war products and you can count upon him for many money-saving suggestions . . . National Gypsum Company, Buffalo 2, N.Y.

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BECAUSE THE JOURNAL SMASHED A PRECEDENT ...THE MARINE EDITOR SMASHED CHAMPAGNE!



PEOPLE MAKE A NEWSPAPER!

It took a war to prove a woman could be a marine editor. But, Portlanders have always known that come petticoats or trousers, The Journal gets the news... first! The creative enterprise of the entire Journal staff from publisher to pressman has made The Journal Portland's preferred newspaper.... These loyal people with ideas, with vision, with ambition and ability are keeping it so! Little wonder that The Journal sets the pace in Portland!

The Oregon Journal boasts the only marine editor in the United States who ever launched a ship... because The Journal's marine editor is a "she"! That launching was the climax to the story of how The Journal met and walloped a wartime problem by combining editorial imagination with old-fashioned gumption!

It all began back in September, 1943, after The Journal's last qualified male marine editor left for the armed services. Here was the crowded, bustling Port of Portland including immense lend-lease activity, three major maritime shipyards and three important navy shipyards... all needing the uninterrupted attention of a capable newspaper person.

In this teeming port, Russian women were "manning," even skippering, lend-lease ships... American women were making history, building ships, and only women were launching them! So Journal editors smashed a precedent, and put a woman on the marine beat.

Tiny, vivacious Marine Editor Louise Aaron has more than vindicated The Journal's selection. She has given the people of Portland consistently thorough coverage of a complex wartime port. Her beat has taken her over the city's waterfront on foot and by automobile, aloft in giant whirley cranes; and over 320 miles of the Columbia River, from the Umatilla Rapids on the east to the Pacific Ocean at Astoria, Oregon. Wherever Portland's marine news is... Louise is.

THE JOURNAL
PORTLAND, OREGON
Afternoon and Sunday
Member... Metropolitan and Pacific Parade Groups

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New York, Chicago, Detroit, San Francisco, Los Angeles

ward move has been halted, perhaps permanently. Others are worried that lack of decision will postpone reorganization plans.

FCC insists that delay in reaching decision will have no serious consequences, because the War Production Board has stated that no production FM stations or receivers can begin late 1945 or early 1946, unless, of course, the Japanese war should end to a sudden end. Even in that event, WPB says, 90 days must elapse before the issuance of notice that manufacture of units will be allowed.

• **Television Affected**—But designers are not happy at the prospect, because equipment now on the drawing boards cannot be frozen for production tooling readied until the decision is made.

Moreover, FM is not the only post-war radio baby affected. Six of the channels in the television band are located adjacent to the FM band, and they must shift when FM moves.

Thus, all-out planning for two more new products must wait. Most serious is the long delay required to construct new FM and television stations to go with the new receivers.

In other departments of radio engineering, however, the way is now clear. Official sanction has now been given to large increases of space for aviation, including radar aids (FM calls the special navigation aids).

Diathermy machines and electric induction heating equipment, sources of interference, are relegated to space where the interference can do little harm.

An extra channel has been assigned to commercial television, making seven channels in all. The largest single block of ether space assigned for technical development, 440 mc. wide, has been set aside for the eventual occupancy of the future Mark II television system, in color and with clarity to match the best movies. Columbia Broadcasting System has been a leader in insisting that allocation of all television bands be withheld pending the perfection of this system.

• **Bands for Industry**—The citizen radio service (walkie talkies for a long time) until recently only a gleam in FCC Commissioner E. K. Jett's eye, is now a lusty, and officially blessed, infant.

So-called safety services, including police, fire, forestry, and a host of special industry services, such as railroad, buses, taxis, rural telephone, petroleum power (page 100), have been assigned 647 channels, an increase of 132 channels over the previous proposals and far in excess of present allotments. To amateurs, principal source of radio technicians, get six new bands.

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BUT DODGE CARRIES THE LOAD DEPENDABLY

WATER drenches this machine all the time it's in operation. That's a normal condition in paper manufacture. Anti-friction bearings for a job like this must carry a heavy load, and be unaffected by the water.

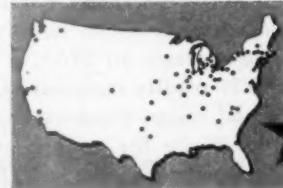
Dodge Transmisioneers found the solution in Dodge-Timken Special Duty Pillow Blocks. These are the most rugged mounted anti-friction bearings made. *And Dodge has created effective seals which keep water out.*

To meet many of the most difficult operating conditions in industry—caused by water, dust, abrasive grit, acid fumes, elevated temperatures, as well as high speeds and heavy loads—Dodge bearings are immediately available from distribu-

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To cut power costs and increase the efficiency of your plant—to learn what's new in power drives—call a Transmisioneer, the Dodge distributor in your territory, or write direct to the factory.

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There are 257 Dodge factory graduate Transmisioneers, located in principal cities, to show you new and better ways of transmitting power.



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AGAINST

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BARRIER PROTECTIVE SKIN CREAMS AND LOTIONS

With occupational dermatoses accounting for approximately 70 per cent of all industrial diseases, your workers need protection from substances which cause skin irritation. When substitution or discontinuance of these substances is not practical, good protection may be obtained by the regular use of M.S.A. Fend Barrier Creams and Lotions.

Rubbed into the clean skin before beginning work, Fend products create an effective physical barrier to irritants. Fend is readily removed at end of work period by mild soap and warm water—leaving the skin smooth and comfortable. Write for your copy of the informative, comprehensive Fend Brochure describing all Fend products, and containing a helpful Application Chart.



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One New Chan

FCC proposes extension of standard AM broadcasting which also would increase shortwave channels from 56 to 120.

The Federal Communications Commission this week performed two operations on the regular low-frequency broadcasting spectrum. In a temporary allocation, it extended standard broadcasting (550-1,600 kilocycles) to include one more band, the 540-kc. cycle channel. It also proposed increasing the international shortwave band from 56 to 120 channels.

• **Committee Overruled**—Indicates point to increased operation of shortwave stations, which daily feed propaganda to the rest of the world. The government's Interdepartmental Radio Advisory Committee, in a simultaneous report to Secretary of State Edward R. Stettinius, proposed that international broadcasts be handled on a point-to-point relay.

FCC overruled IRAC, however, in nongovernment operation, presumably because of the preference of the Office of War Information and the Office of Inter-American Affairs, which utilize private facilities, for direct shortwave operation. On a point-to-point relay, programs originating in this country would be transmitted to Brazil, for example, on point-to-point frequencies rebroadcast over standard frequencies.

All international stations in the U.S. are programmed by OWI and Office of Inter-American Affairs on a time-limited basis.

• **No Decision on Number**—The 540-kc. channel, to be added to the standard band some time after the war, will provide for several more stations in the standard broadcast band. No determination has been made, however, as to the number, or whether the band will be assigned for local, regional, or clear-channel stations. KMBC, Kansas City, is applicant for a clear-channel station on the 540-frequency, contingent upon its assignment for standard broadcast.

In operation are 928 standard stations, and 23 others are under construction, while 180 applications for new stations are on file at the commission. Just when the 540-kc. channel will be available for commercial broadcasting is undetermined. It is now being used by the Navy.

IRAC originally opposed assigning the 540 channel to commercial broadcasting in view of its use by government and its potential interference with amateur radio.

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BUSINESS WEEK • May 26, 1945

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atic alarms on the international distress frequency of 500 kc.

Amateur Network—A new service proposed by the commission embraces an amateur network to be set up in case of disaster, such as floods, earthquakes, hurricanes, etc. Frequencies between 605-1900 kc. will be made available on a share basis with other services.

Postwar requirements of aviation were given consideration in the commission's proposed allocations. Although recommendations of the Radio Technical Planning Board covering estimated needs of civil aviation were not met, FCC said a more efficient utilization of the available aviation channels may be accomplished by narrower bands, limited air-to-ground and interaircraft communications, and restriction of operating power to the minimum required for satisfactory communications.

Arguments Set for June—Other services for which proposed allocations were issued include police, fire, forestry, and conservation; electric, gas, water, and steam utilities; geophysical service; provisional stations (common carriers); motion picture on-location stations; and relay broadcast.

Oral argument on the proposed allocations is scheduled for June 20.

U.S.

Postwar suburban building plans of Lord & Taylor, one of New York City's famed Fifth Avenue department stores, last week ran afoul the protests of 100 local merchants in New Rochelle. The merchants said they welcomed a store of the Lord & Taylor caliber, but they wanted it located in the Main Street business area, not out in the residential section. Walter Brown, manager of the New Rochelle branch of Arnold Constable, Fifth Avenue competitor of Lord & Taylor, presided at the merchants' protest meeting. . . . Allen B. DuMont Laboratories, Inc., has leased space on the tenth floor of the Harrington Hotel in Washington, D. C., for erecting a permanent television antenna. The Washington station, W3XWT, to be built as soon as preliminary tests are completed, will tie in with DuMont's station WABD, New York. . . . Raytheon Manufacturing Co. is in the midst of negotiations with Waltham (Mass.) park commissioners for a site in Prospect Hill Park for construction of a television and FM broadcasting station to serve metropolitan Boston and vicinity. . . . Management of the Hotel New Yorker announced last week that if current mail survey being conducted among the hotel's 70,000 credit card holders indicates that guests want television, a set will be installed in each room.

Tops in Protection



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Interested in fencing: Industrial; School; Playground;

Residence. Approximately. feet.



UNITED STATES STEEL

LABOR

Pattern for Strife

Anthracite mine workers' success in defying government seizure as a wartime antistrike weapon may spell trouble ahead.

What may prove to be the nation's most important wartime strike ended this week as some 70,000 anthracite miners returned to the pits after sacrificing an average of \$140 for 21 days' idleness while the nation lost 3,230,000 tons of hard coal output.

• **Counting the Cost**—Although the immediate cost of the three-week stoppage is high and the grant of a wage increase of \$1.37½ a day which brought it to an end will raise the consumer price of anthracite an estimated 50¢ a ton, these considerations may look small when compared with the ultimate cost that will have to be assessed against John L. Lewis' United Mine Workers Union. For the miners have established a precedent; for the first time, the wartime property-seizure powers of the federal government have been defied. And that defiance was crowned with success.

It has not been altogether uncommon for either labor or employers to refuse to accede to an order of the National War Labor Board. But no one has ever before stood out against a property seizure. For the last three weeks the United States has been in possession of the nation's anthracite mines and not a winch turned.

• **No Strike, but No Work**—Technically there was no strike, for the union had not called one. But neither had it directed its members to return to their jobs after seizure. There was no contract and there was no work. Although proclamations declaring the mines to be government property were posted at every pithead, the government, through Attorney General Francis Biddle, confessed itself powerless to get any coal mined.

All this time, negotiations for a new wage agreement proceeded between the union and the operators. The National War Labor Board, which is supposed to be the final court for all wartime labor disputes but which also has a rule that bars it from acting in situations where strikes are in progress, stayed completely on the sidelines.

• **Back to Work**—When Lewis and the operators agreed on a \$1.37½-a-day pay

boost—the bulk of which will go into compensation for travel time with the rest divided between night shift differentials and an increase in vacation pay from \$50 to \$75—the miners were told by their union officials to report back to work.

That's how the anthracite strike ended. And that's also how, it may be said a year from now, the biggest outbreak of war strikes began. For how can anyone say after this (to striking unionists in Detroit, for example), "You must go back to work before your demands can be considered?" Lewis has demonstrated clearly that a strike is still the most effective way for labor to get what it wants and get it quickly.

• **Cabinet Assistance**—Lewis' latest triumph, which like so many of his others has been a stinging defeat for the government, is directly attributable to former Secretary of Labor Perkins. The anthracite contracts were written to expire April 30. When negotiations for a new contract got under way a month before, the Secretary of Labor appeared in the role of mediator. So confident was she of her ability to bring the two parties together that she did not certify the dispute to NWLB.

NWLB, which can enter a dispute on its own motion, hesitated to do so because Secretary Perkins kept assuring

everyone that an agreement was about to be consummated. The result was the NWLB never had an opportunity to issue its standard order that the old contract remain in effect until a new one was signed, and that wage adjustments would be applied retroactively.

• **Expiration**—On May 1 the old contract expired, no new one had been signed, and the board had not had a chance to order the old one kept in force. It was "no contract, no work" and it stayed that way until Lewis and what satisfied him directly from the operators.

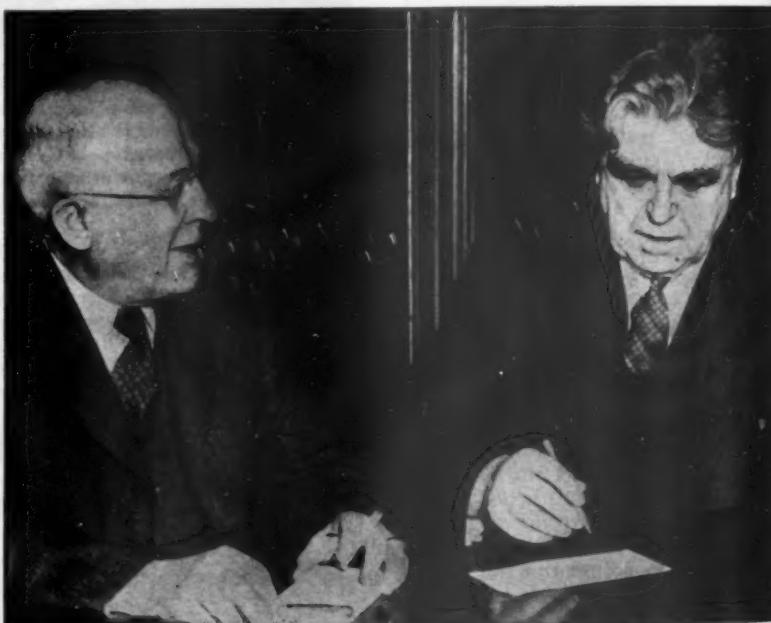
The new agreement, to run for a year unless canceled on 30 days' notice by either signatory, remains to be ratified by the miners and approved by NWLB. Then the wage boost will have to be translated into a price increase by OPA. But any further technical difficulties would be anticlimactic and they are expected.

What is expected, however, is a new pattern of labor trouble in the new pattern Lewis has so successfully established.

FOREMEN HEAD FOR COURT

A judicial test of National Labor Relations Board policy recognizing supervisor unions as suitable bargaining units moved a step closer this week in the wake of Packard Motor Car Co.'s refusal to bargain with the Foremen Assn. of America.

Packard's president, George T. Christopher, met with Robert H. Key



Again the winner, John L. Lewis (right) puts the final polish on a union agreement with William Inglis, hard coal operators' representative, thus ending a work stoppage that ignored government dictates, set a new pattern for trouble

"IMAGINE ME GIVING A LOAN TO A BANK!"



1 "And if I was J. P. Morgan, I couldn't feel no better! It ain't nothing to lend *dough*. I'm doin' that too, in war bonds, all I can afford. But there ain't no satisfaction like lendin' a pint of blood to the blood bank. You'll get it all back a million times if you save just one kid's life!"



"Why, they even pay you . . . with a free physical examination that would set you back three bucks any doctor's office. Take your temperature and your blood pressure—and your blood count too to see if you're anemic. There would be a laugh, me bein' anemic, huh?"



3 "And then if them swell looking nurses ain't raised your blood pressure too much, you go and make your blood donation. And is that a surprise. It's so easy you don't even know you're doin' it, hardly. All you do is lay there and rest—and wonder why everybody don't do it!"



"Then they give you a cup of coffee . . . and a button that I guess some guys figure makes 'em a home hero. But that ain't how I look at it. I figure sendin' a pint of blood overseas is the nearest thing I can do to 'in myself!"



5 Taylor Blood Pressure Instruments and Fever Thermometers are standard blood bank equipment. Other Taylor Instruments are being used in research to unearth many hitherto unknown facts about blood plasma. Taylor Instrument Companies, Rochester and Toronto.



O.K....So Hercules was a Sissy!

Sure, he had some pretty tough jobs—but he never had to manage an office in wartime. He never had to contend with overcrowding of personnel and lack of adequate space or equipment. You could tell old Herky a thing or two! But, if you'd like to whittle your troubles down, Mr. Office Manager, send out an S.O.S. for—

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He's called a "Doctor of Offices"

because space problems and snarled office traffic are his meat. Perhaps he can't do his stuff to the limit—for much of the equipment he'd recommend won't be made until peace returns—but he may dope out some good tricks to make life easier for you. No charge, of course.

So send for him; and ask him for a copy of his useful book, "Office Planning". Simply call your local Art Metal branch or dealer, or write Art Metal Construction Co., Jamestown, New York.

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POSTINDEX VISIBLE RECORDS

HARTFORD
LOS ANGELES
NEW YORK

PHILADELPHIA
PITTSBURGH
WASHINGTON



Art Metal
Jamestown, New York
U.S.A.



SYSTEMATIZED EQUIPMENT AND RECORDS FOR BUSINESS

F.A.A. president, and informed his company's desire to make a determination of the certification of F.A.A. by the board. The challenge indicated, will be on constitutional grounds.

Following this development, the executive board of the foremen's union decided to take the case to court—probably by seeking a court order from U. S. Circuit Court of Appeals at Cincinnati to compel Packard to bargain.

It is expected that other automobile companies will enter the fight on Packard's side, as interested parties.

A court test has been foreseen since NLRB ordered a collective bargaining election among the Packard supervisors (BW-Apr. 14 '45, p17). The vote in favor of the F.A.A. (BW-Apr. 28 '45, p83) made the move all but inevitable.

HOME FRONT DECORATION

Employees of the Boeing Airplane Co. at Seattle and Renton, Wash., will be given awards for stay-on-the-job records of 96½% or better.

The awards will be in the form of ribbons of red, white, and blue. They will be given quarterly. A star will be added to the ribbon for each three month period the employee maintains his record. The star will be gold if perfect attendance is maintained and silver if less than perfect but at least 96%.

The ribbons will be 1½ in. wide and 1 in. deep. The outline of a B-29 Superfortress will extend across the emblem.

Strike Cause in Reverse

Almost all strikes concerned with working hours formerly were for a shorter work-week. Now, it is the shortening work-week which labor protests.

Typical of the new pattern of strikes which threatens to be of considerable importance in the transition period (BW-May 19 '45, p15) was last week's walkout at the Bloomfield (Pa.) plant of the Federated Metals Division of the American Smelting & Refining Co. Two hundred employees had been working 48 hours a week and getting time and a half pay for everything over 40 hours.

Curtailed operations necessitated a return to an original 40-hour week—with a decline in take-home pay of more than 20%—and the 200 walked out. This week the Army, which has ordnance production involved, was trying to get the employees back on the job.

Alien Ban Lifted

Minimum wage agreement gives way for the elimination of race discrimination and pay differential in copper mines.

The Nonferrous Metals Commission in Denver last week granted an application by Phelps-Dodge Corp. of Arizona, big copper producer, to streamline wage and job classifications and institute a minimum wage of \$5.88 per shift, or $73\frac{1}{4}$ ¢ an hour, subject to the approval of the Director of Economic Stabilization.

Mexican Ban Ends—A.F.L. and I.O. unions, which represent virtually all of the company's 4,500 employees, thereupon withdrew any objection to the employment of Mexican nationals for heavy labor jobs. Earlier the unions had approved the company's petition.

At the old rates (as low as \$4.88 a shift for a few employees) the unions had contended that employment of Mexicans was undercutting wage security, and the agreement to bring in Mexicans eases a threatening labor shortage made more acute by the withdrawal of Navajo Indians, employed during the winter, to go home for the lambing season.

Differentials Eliminated—There's more to the case, however, than this sombre picture of personnel problems in the Southwest. In effect it marks the elimination for the whole Arizona copper industry of alleged racial discriminations and wage differentials which the commission a year ago ordered ended in cases involving three other big Arizona copper producers—Miami Copper Co., International Smelting & Refining Co., and Inspiration Consolidated Copper Co., and later adopted voluntarily by Magna Copper Co.

Minimum Rate Set—The commission's attention was originally drawn to such alleged discriminations, it is said, by a possibly unguarded reference to the "Mex rate" and the "Anglo rate" during earlier hearings. It instituted an inquiry, and established to its own satisfaction that the majority of Mexicans, Americans of Mexican descent, Indians, Filipinos, Negroes—and women—were in the lower wage brackets.

The evidence was sufficient, according to a commission majority, for it to order a minimum wage of \$5.88, and to direct companies and unions by collective bargaining to work toward abolition of all racial discriminations, and toward an eventual minimum of



Sealed — TO PROTECT LIFE

The deep sea diver lives and breathes safely underwater because his pressure helmet and suit are sealed to keep vital air in... keep seawater out.

Similarly the vital bearings of modern machinery perform better and live longer when lubricant is sealed in... abrasive extraneous matter kept out. National Oil Seals provide efficient dependable protection for bearing life. They are the result of a quarter century of specialization in this field. Their value and efficiency have been proven in the most grueling mechanical tests... the modern automobile and the machines of war. National Engineers are at your service without obligation.

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NATIONAL
OIL AND FLUID SEALS



1948

WHEREVER SHAFTS MOVE, THERE'S A NATIONAL OIL SEAL TO RETAIN THE LUBRICANT

THE LABOR ANGLE

Canceled

One of the significant developments in the present phase of the post-Roosevelt period is the decline of labor influence at Washington's high policy levels. Roosevelt gave the labor movement its only real leadership. He kept it cohesive enough so that, as a force behind his own economic philosophy, it made its power felt. It is because that leadership is gone, rather than because Truman has any different philosophy, that labor is now less influential.

The A.F.L. and C.I.O. have some basically different attitudes. On reconversion, for example, the fundamental laissez faire position of the A.F.L. leads it to demand a quick termination of economic controls. The C.I.O., on the other hand, calls for perpetuating the federal regulation of the economy. Result is that the pressures that they bring to bear tend to cancel out.

Pressure

The removal by the War Manpower Commission of the certificate of availability requirement for job shifting (BW—May 19 '45, p15) is creating a new pressure for wage increases. Employees who are becoming free to change jobs without their employer's permission are, in an appreciable number of cases, taking advantage of their new opportunity. The consequence is that, in unorganized white-collar lines particularly, employers are busying themselves to find mechanisms for adjusting pay rates upward.

Veterans

Experience beginning to accumulate on relations between returning veterans and unions suggests that one widely held assumption may not prove out. It has been pretty generally assumed that the C.I.O.—because it was identified with most of the wartime strikes and because it controlled the jobs in the mass-employment industries—was going to get the brunt of the "veteran trouble." Thus far it's not C.I.O. but A.F.L. which is running into serious clashes of interest, and the basis for these is initiation fees.

A great many veterans were trained by the armed services in trades and crafts over which the A.F.L. has jurisdiction. A bulldozer driver on the home front, for example, carries a card in Joe Fay's engineers' union where the initiation fee is around \$500. The veterans aren't liking that at all and a number of "incidents" have already been reported. With initiation fees at \$2 or \$5 in most of its affiliates, the C.I.O. isn't encountering that kind of trouble.

Test

In formulating new wage demands, railway labor chiefs are now preparing an acid test for Harry Truman. Truman has publicly acknowledged his political debt to the rail unions. They claim to have provided the margin by which he was elected senator, and in 1943 he championed their wage demands which were in excess of the Little Steel formula. Anything further they can get will be over the formula's ceiling. The question for Truman is, can he take a different position as President than he did as senator?

Unemployment

A mood reminiscent of 1933 is beginning to be felt in Washington. Then, unemployment was the great preoccupation, and all policy proposals were considered in the light of what effect they would have on jobs. Today, again, unemployment figures are the key home front statistic with government planners fearful that "reconversion unemployment" might generate political pressures powerful enough to make hash of all the elaborately conceived programs.

In the longer run, full conversion is expected to mean a period of capacity production, but for, say, the next 18 months the Dept. of Commerce's monthly unemployment estimate will have crucial importance.

The figure which will get all this earnest attention stands now at 770,000 (covering April), and is generally conceded to be just about rock bottom. There is some comfort in knowing that, after all the wrangling about conflicting employment estimates in the thirties, Commerce has developed an unemployment series which is not open to serious attack.

\$6.36 which the commission refrained from ordering only because a raise would upset the economy of the industry.

• **Classifications Reduced** — Dodge found it possible to merge new classifications—reduced in number from 33 to 11—by a total increase of only \$38.95 in payroll per shift, the lowest paid employees number less than 300.

It said it could do so without an increase in the price of copper. It reserved the right to ask such a increase later if made necessary by the total effect of all war increases in labor and materials.

UNION HIRES LEGISLATORS

New attempts by C.I.O.'s County & Municipal Workers of America to gain members among Michigan civil service employees have led to the hiring of two state legislators as organizers.

Foss O. Baker, district secretary of the union, has engaged Sen. Alvin Hampton of Negaunee, who will represent the Upper Peninsula, and Caspar P. Kenny of Flint, who will handle Lower Peninsula solicitors.

The immediate goal of the S.C.W.A. drive is a minimum \$1,800-a-salary for all civil servants, together with a 40-hour week and other benefits.

The state Civil Service Commission, which administers wages, hours, other conditions, had little to say beyond pointing out that merit workers have represented themselves in the past as glad that they were not responsible to political or other organizations.

The commission did announce, however, that employees participating in the Political Action Committee of the C.I.O. would be discharged, in line with a policy forbidding political activity by merit employees.

QUINTUPLE A.F.L. VICTORY

A nine-union fight to represent 1,000 employees at Kaiser Industries' Bremerton (Calif.) shell plant was won by A.F.L. unions, blocking hopes of C.I.O. United Steelworkers of America to extend its domain.

A.F.L. International Assn. of Machinists earned bargaining rights for the bulk of the shell plant employees in the week's National Labor Relations Board election. Production and maintenance employees gave 454 votes to the machinists, 280 to the C.I.O. steelworkers, 117 to A.F.L. Construction, Production & Maintenance Laborers, and 9 for the union.

Four A.F.L. unions swept the vote among 78 eligible craftsmen divided

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Fruehaufs FILL COOKIE JARS...and RATION PACKS!



stantly on the
road pulling
first one, then
another Trailer.

In fact, this firm is credited with introducing the "shuttle" operation for hauling biscuits. So successful has this method been that the company has established similar delivery set-ups in its Buffalo, Peoria and Milwaukee branches.

OVERSEAS RATIONS START BY TRAILERS

Three Fruehaufs are also used to deliver biscuits to fill U. S. Army combat ration kits. This haul is to Barrington, Illinois, and other assembly depots in Chicago. Forty percent of the plant's daily production is devoted to baking, packing and assembling of the famous "C", "10 in 1" and "K" Rations.

President F. G. Salerno says, "We cannot make all the biscuits in the world, but we do make the best . . . and they must get every possible delivery protection."

So efficiently do Truck-Trailers handle the plant's output that frequently, after delivering their own loads, they are able to assist a neighboring war plant with its deliveries to Uncle Sam.

YOUR PROBLEM IS DIFFERENT!

Have you ever considered the "shuttle" operation? It often means better service and lower cost. Executives in more than 100 different kinds of business, whose requirements are *different*, have found a practical solution to their hauling problems in the Trailer method. Let a Fruehauf man give you the complete Trailer story.

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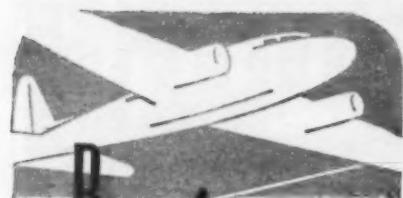
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PASSENGERS
at no extra cost

Passengers in civilian planes on private or non-scheduled commercial flights anywhere in North America can now have protection against all normal aviation hazards as part of regular Connecticut General accident insurance.

Passengers on commercial airlines can be protected while flying anywhere in the world, including transoceanic flights. These extensions of coverage, at no extra cost, apply to regular Connecticut General accident policies now in force and being issued.

Thus Connecticut General announces another progressive step consistent with the increased use of air travel. Last November it was first in announcing extension of life insurance protection to cover world-wide flying, and recently it also liberalized accident insurance for airline personnel.

If you use, or plan to use, air travel at all, you should obtain full details about Connecticut General's broadened protection. Any representative will be glad to give you information.

**CONNECTICUT
GENERAL**
LIFE INSURANCE COMPANY
HARTFORD, CONNECTICUT

into four groups by NLRB. Victors over the C.I.O. steelworkers, who got two votes (with none for no union), were United Assn. of Plumbers & Steamfitters, International Brotherhood of Electrical Workers, International Brotherhood of Teamsters, and United Brotherhood of Carpenters.

Since it bargains for 3,000 workers at the adjoining Kaiser plant which furnishes steel to the shell unit, C.I.O. argued at the NLRB hearing for extension of its certification to the shell plant. The board rejected this contention, as well as C.I.O.'s plea for voting on a plant-wide industrial basis.

Gastonia Seizure

U. S. takes over tire textile machine plant in dispute over failure of company to yield on union security clause.

Federal seizure of the Cocker Machine & Foundry Co. plant at Gastonia, N. C., under an order issued by President Truman, this week climaxed a labor dispute which had interfered with production of tire textile machinery since last January, and had resulted in a regional war labor board order which, in

effect, sanctioned a walkout in violation of labor's no-strike pledge (BW-Feb. '45, p109).

• **Two Unions Involved**—Action in Cocker dispute came as restlessness workers was increasingly evident new wave of strikes.

Cocker's difficulties have involved unions, the International Molders, Foundry Workers in its foundry department, and the International Assn. Machinists (both A.F.L.). In Jan. the molders struck over failure of company to put into effect union security contract provisions demanded by the Atlanta regional war board. I.A.M. members refused to join a picket line established by the workers. When Cocker's management persisted in its refusal to comply with the regional board directive, the board declined to order the strikers back to work, with statement that in the case "it seems unfair . . . that the unions live up to their pledge."

• **M. of M. in Dispute**—Subsequent negotiations between Cocker and unions have continued, and agreements have been reached on a number of issues, but not on the key question of maintenance of membership.

As long as it remained unresolved, molders refused to return to their jobs. Many of the machinists, however, ended their supporting strike.

Peoria Rail Chief Wins Empty Victory

George P. McNear, Jr., who as owner-president of the 230-mile Toledo, Peoria & Western R. R., was central figure in the government's first property seizure of this year as well as last champion of the open-shop on the nation's railroads (BW-Jan. 31 '42, p20), was back in the news this week. A federal district court held that government operation of the railroad was illegal.

• **Based on Technicality**—But while he had won a round in a three-year fight against the government, McNear was by no means back in the driver's seat of T.P.&W. The decision in Chicago by Judge Walter J. La Buy apparently was based on a technicality—that the T.P.&W. seizure had become involved with the government's 1943 seizure of all railroads (BW-Dec. 25 '43, p5) and their subsequent release. The release order, Judge La Buy ruled, was all-inclusive, and the Office of Defense Transportation had no legal right to retain possession of the road after Jan. 18, 1944.

The judge set a 30-day deadline



for federal control, and a 20-day deadline for the inevitable federal appeal which will stay McNear's resumption of control.

THE WAR AND BUSINESS ABROAD

Special Report from Business Week's Foreign Editor, now in Europe

BUSINESS WEEK
MAY 26, 1945



LONDON—This week's reconstruction of the Churchill government and the prospect of a July election stole the spotlight from other British problems. But peace on one front has also started a partial reconversion, and given industry the task of absorbing 750,000 demobilized soldiers before the year ends.

The political storm broke following Britain's first old-fashioned Whitsun week end in six years. Beach resorts were crowded, roads were filled with cyclists (the gasoline ration will not be eased until June 1), theaters were sold out weeks in advance, and London hotels were forced to hang "Residents Only" signs before public rooms and restaurants.

Britons are given little encouragement that rationing can be eased much this year, despite V-E Day.

While small quantities of linoleum and carpet may soon be available, housewives will find that sheets and curtains will continue to be as scarce as at any time during the last three years.

Except for wartime "utility" models, furniture is likely to be very scarce for several years, but upholsterers are quick to add the hopeful note that more fabrics will soon be available for refurbishing.

Standard lines of kitchen utensils—especially to replace bombed-out supplies—are already on the market, and the quantity is expected to increase steadily.

Desperately needed shoes are likely to be more plentiful during the coming months, though the quality is not expected to be very good.

Women are promised increasing supplies of hosiery as wood pulp becomes available from Scandinavia and mills are released for the production of more civilian items. However, clothing rations cannot be eased for at least eight months.

Warned of fresh cuts in food rationing—especially meat—the British are gardening feverishly to fill out their menus and to provide a greater variety of provender during the summer months.

While the liberation of Denmark normally would reopen a big source for supplies of bacon and dairy products for Britain, the desperate needs of Holland and Norway are likely to absorb any immediate Danish surplus.

On the other hand, the end of naval warfare reopens the vast North Sea banks to intensive fishing by all the countries of northwestern Europe.

The United Nations Relief & Rehabilitation Administration is rushing supplies of nets and fishhooks to such ports as Bergen and Trondheim in Norway.

London fish markets already reflect an increased coastal catch.

Garage operators are anxiously awaiting June.

With the gasoline ration due to rise June 1 to allow civilian driving up to 125 miles a month for the average car, they expect a rush of business in battery recharging, tire-patching, and motor overhaul on automobiles that have been up on blocks for five years.

And June 18 will see the start of Army discharges which will release 750,000 men in the ensuing six months—some of them mechanics, a lot of them car-owners. Home repairs are a key problem to every Briton, and one on which there is no detailed information available. The wartime repair limit

THE WAR AND BUSINESS ABROAD (Continued)

BUSINESS WEEK

MAY 26, 1945

of £10—about \$40—still prevails, but this allowance may be raised before the summer ends.

Meanwhile, plans are complete for the use of prisoners of war to clean up premises preparatory to undertaking the major repair and rebuilding program. The rapid withdrawal of American and other Allied forces from Britain will release barracks for housing larger numbers of captives.

London witnessed the first Nazi prisoners starting work on the cleanup job this week.

Despite the unpopularity of prefabricated houses in Britain, the first shipments of them are due from Sweden before the year ends, both to meet the immediate shortage of housing and to supplement those coming from the United States (BW—Mar. 24'45, p48).

However, the long-term permanent housing program is still incomplete and is likely to become a political issue if indefinitely delayed.

Business—both British and foreign—faces serious rehabilitation problems. Residential housing inevitably heads the materials and labor priority lists for the remainder of this year—or until critical shortages are eased. **But bombed-out tenants of business buildings have had to adopt makeshift measures.**

Despite the need for planning facilities for the employment of large numbers of demobilized servicemen, the sole relief in sight is the possible release by government of its vastly expanded wartime premises.

The first readjustments to post-V-E Day trade are beginning to appear.

A shipment of French briarwood for pipes has arrived at a British port, just as the shortage of pipes is becoming acute.

Depleted wine stocks will not soon be replenished, but a start is being made with the licensing for import of a thousand tons of port wine and a hundred tons of Madeira—both to arrive soon, and both to be sold at ceiling prices.

The British coal industry has been forced to acknowledge that it cannot meet more than the home demand this winter. Resumed business with Scandinavia—of important dimensions to Britain—must be handed temporarily to the United States.

Although European transport is being resumed with unexpected speed, extensive travel is still impossible except on a high-priority basis.

Overnight cross-Channel train service between London and Paris is available, but there are no sleeping accommodations and only limited dining car service.

Air service between the two capitals, while still principally limited to military personnel, is now running with clocklike precision. Planes are comfortable and have many of the refinements of peacetime commercial travel.

Sweden's Aerotransport has resumed its flights between Stockholm and Paris, but on a restricted schedule.

Regular ship service between Britain and Scandinavian countries will be revived in a few weeks, and the sweeping of mines from the main German ports will provide direct military deliveries to occupation armies with less drain on the rail facilities of western Europe.

Latin-American Trade Expands

Survey of early postwar potentialities indicates that U.S. reasonably expect to claim at least 60% of the market, or about \$1,800,000,000 annually. Competition will be sharp.

The recent release of official figures concerning Latin-American foreign trade for 1944 has given U. S. businessmen an opportunity to survey the postwar trade picture in Latin America and estimate the possibilities of boosting U. S. exports to this market above the billion-dollar level reached last year.

An Increase of 35%—Most striking development in 1944 was the increase in U. S. shipments to the 20 Latin-American republics. As recorded in government statistics, total American exports including lend-lease rose from \$8,000,000 in 1943 to \$1,055,000,000, with cash sales rising from \$720,000,000 to \$973,000,000—an increase of 35%.

Principal increases were in exports to Brazil and Mexico. American cash sales to Brazil rose from \$96,000,000 to \$11,000,000, a rise of 60%; those to Mexico from \$176,000,000 to \$260,000, up 48%.

Our Purchases—U. S. imports from Latin America also increased. In 1944, they rose 21% from \$1,309,000,000 to \$1,586,000,000. Biggest gains were in imports from Cuba, Brazil, and Argentina, but just as significant was the fact that our purchases from strategic material producers like Chile and Bolivia were maintained at 1943 levels.

Volumewise, our imports from Latin America—unlike our exports to it—dropped the previous peak in 1941 (chart, page 114). And, contrary to popular impression, the increase in prices of our imports from Latin America since 1938 (4%) has not been as great as the price rise in our exports to Latin America (8%).

Intra-Latin Trade Gains—Intra-Latin-American trade as well as U. S.-Latin trade registered marked gains in 1944. Export trade between Latin-American countries (according to their trade figures) rose from \$332,000,000 in 1943 to \$457,000,000 in 1944, a gain of 38%.

Argentina and Brazil were the chief participants in this trade expansion. Argentina's exports to its neighbors increased from \$124,000,000 to \$154,000,000 and Brazil's from \$83,000,000 to \$128,000,000. Of Latin America's total imports, 85% came from the U. S. and other American republics (chart).

Great Britain's Position—The trade between Britain and Latin America was significantly out of balance in 1944.

Latin-American exports to Britain—56% of which went from Argentina—rose from \$432,000,000 in 1943 to \$460,000,000. Britain maintained its relative position as a market for Latin-American goods, taking roughly 16% of the total, as in the years 1938-1943. But British exports to Latin America, which had declined from \$184,000,000 in 1938 to \$116,000,000 in 1943, dropped drastically in 1944 to only \$65,000,000, or to less than 4% of total Latin-American imports.

Total exports of the 20 Latin-American republics in 1944 rose 16% above the 1943 level of \$2,575,000,000 to reach \$2,968,000,000. Total imports increased 20.5% from \$1,535,000,000 to \$1,853,000,000. Latin America for the second year had a favorable trade balance of more than a billion dollars and thus continued to augment its holdings of dollars and foreign exchange (BW—Apr. 8 '44, p113).

• Looking Ahead—Since Latin America's foreign trade is primarily dependent on the level of economic activity in the rest of the world, particularly in the U. S. and Britain, it is difficult to estimate postwar prospects. But, on the assumption of reasonable world prosperity, a gradual cutback in U. S. procurement programs, a moderate U. S. stockpiling program for strategic materials, and heavy world reconstruction demands for

Latin America's industrial raw materials and foodstuffs, the present three-billion-dollar level of exports might be maintained, and even substantially increased.

On the basis of annual exports of this magnitude alone—apart from the war-accumulated \$4,000,000,000 in gold and foreign exchange and the probability of large capital imports—Latin America would be in a position to import \$3,000,000,000 worth of goods annually during the early postwar years.

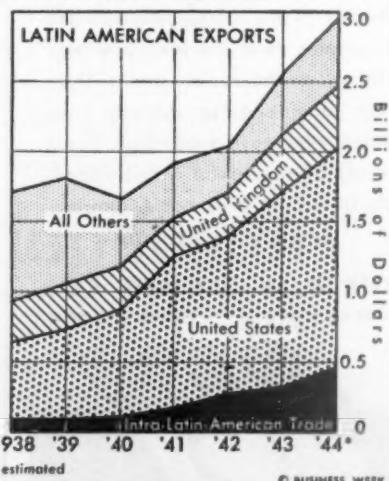
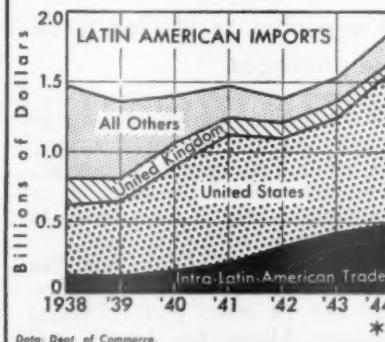
• This Nation's Share—What will the U. S. share of this market be? In the late '30's our share in the Latin-American market was about 33%. In 1944 it was 58%, and it seems reasonable to expect that it will be at least 60% during the early postwar period. Such a development would involve a slightly different pattern from that established during the first World War and immediately after, when the U. S. share in Latin America's import trade rose to a peak of 55% in 1917 and leveled off to 50% by 1920.

However, several considerations suggest that the U. S. will be in an even stronger position this time: (1) Latin America's heavy demand for capital goods and American ability to supply them (BW—Dec. 9 '44, p114); (2) the devastation of Europe's economy by the second World War; (3) the virtual elimination of Germany and Japan as important commercial exporters.

• Possible Difficulties—But potential U. S. exports to Latin America of about \$1,800,000,000—60% of the expected imports of the area—will not be achieved easily. Until V-J Day, shipping shortages may hold up orders anxiously awaited in Latin America. Sharp com-

LATINS BOOST TRADE WITH HEMISPHERE

In 1944 Latin America bought 85% of its imports from the U. S. and other American republics (42% in 1938) sold them 68% of its exports (38% in 1938).



Between 1938 and 1944 intra-Latin-American trade quadrupled, Latin exports to the U. S. almost trebled, and imports from the U. S. more than doubled.

Sly Dust Filter mounted over Sly Blast Room in a foundry.

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DUST CONTROL
... Removes
THE DUST HAZARD
... WIDELY USED
NOT EXPENSIVE

• The Sly Dust Filter (shown above) handles the dust created by a Sly Blast Room, grinder booths, and surface grinders.

It does a thorough filtering job—actually filtering all of the dust out of the air by passing it through a series of cloth bags ingeniously arranged in a compact space within the filter case.

Sly Dust Filters comply fully with the requirements of the laws any regulations of the various states. They help provide better working conditions—increase production. Thousands of successful installations: Sly Dust Control is not expensive.

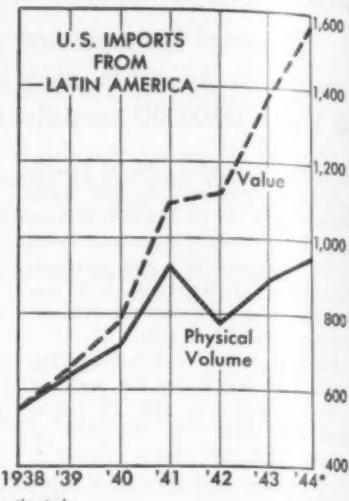
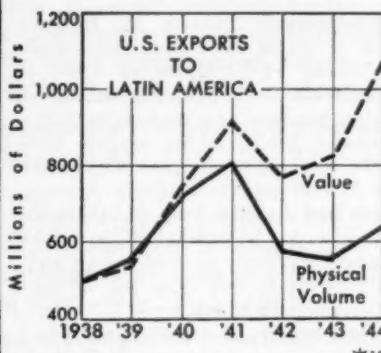
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VALUE VS. VOLUME IN U.S.-LATIN TRADE

Volume of U. S. exports to Latin America—measured in pre-war prices—was still below the 1941 level but volume of U. S. imports last year topped 1941.



The value of U. S.-Latin-American trade reached new peaks in 1944, but price increases still accounted for much of the expansion. Revaluing each year's trade in terms of 1938 prices—obtaining an approximate "physical volume" curve—deflates and adds reality to the movement of trade. A weighted index of price changes shows a rise between 1938 and 1944 of 68% in the cost of U. S. exports to Latin America and of 64% in U. S. imports from there.

petition can be expected from Britain—striving to make a comeback in Latin markets—and from countries like Sweden and Switzerland which have improved and expanded their productive facilities during the war.

Finally, Latin-American restrictions, on either merchandise imports or U. S. investment, would hamper the flow of trade and temper the zeal of U. S. businessmen now eager to satisfy the huge Latin-American demand for their goods.

Free Port Bids
New Orleans is added to
list of applicants, and other cities
are expected to file for trade
zone privileges.

With the filing by New Orleans of an application for a "foreign trade zone" to be established as soon as possible, Washington looks for a series of requests from a string of cities known to be interested in similar ventures.

San Francisco, Houston, and San Juan, P. R., already have filed applications, and 14 other ports—including Providence, Miami, Los Angeles, and Seattle—have been provided with full details of the requirements demanded by the Foreign-Trade Zones Board be-

fore authority to establish such a port is granted by Washington. New York, so far, has this country's only established foreign trade zone.

• **A Free Port's Functions**—A foreign trade zone, or "free port," is a port, or a specified area in one, within which there are no customs barriers.

To facilitate business, the zone is cut off from the surrounding territory. Within this free port, goods are unloaded, broken up into small parcels, possibly repackaged or graded, and then reshipped. All this is possible in a prescribed foreign trade zone without any of the formalities and delays of declaring and paying duties.

Europe has had free ports for centuries. Hamburg, before the Hitler era, had one of the best organized and busiest. Copenhagen, Stockholm, Danzig, Barcelona, and Trieste were only a little less well known among 43 such zones in prewar Europe.

• **A Welcome Idea**—Ship operators, particularly the freight lines from such important shipping nations as Germany, Sweden, Norway, Denmark, Britain, and Japan, welcomed the advantages of free port areas, where they could unload bulk cargoes from Africa, South America, and the Far East, and pick up return loads.

When New York created its foreign trade zone in 1936 (BW—Feb. 8/36, p 35), five modern piers and 18 acres of

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land were set aside, and work commenced immediately on a seven-story warehouse, required in the contract with the Foreign-Trade Zones Board. Last year, despite the loss of 80% of its space to Army shipping services, the New York zone handled more than \$25,000,000 of merchandise. In the best year before the war, business topped \$89,000,000.

• **World Traffic—** Goods from all parts of the world have been handled. Right now the U. S. Commercial Co. is shipping bulk purchases of such Mediterranean products as Algerian briar wood, and essential oils from France, through the New York zone.

CANADA

Easing the Excise

Partial tax abatement by Ottawa stirs controversy over prices, but industry is cheered by the government's policy.

OTTAWA—While the American Congress trundles up its big guns for the assault on wartime tax levels, Canadian business is appraising its first partial tax abatement and surveying other concessions designed to protect federal income without interfering with the postwar full-employment objective.

• **Action by Ilsley—** In Prime Minister Mackenzie King's absence as chief delegate to the San Francisco conference, the acting prime minister, Minister of Finance James L. Ilsley, lifted excise taxes from a series of Canadian products.

While many businessmen protested removal of the excise tax as an unfair break to the producers affected (since current price ceilings, which will be maintained, in most cases include the tax), consumers rose to complain that manufacturers were not planning to pass the advantage on to them.

The excise taxes ranged from 15% to 25% and applied to building materials, radios and tubes, phonographs, cameras and photographic supplies, gas and electric appliances, and automobiles.

• **Caught in a Squeeze—** With all producers caught in a profits squeeze resulting from higher materials and labor costs, only a few manufacturers were reported ready to lower prices on their goods.

On the other side of the tax picture, Canadian industry welcomed the news that retention of the high rate of wartime taxes would not be permitted to

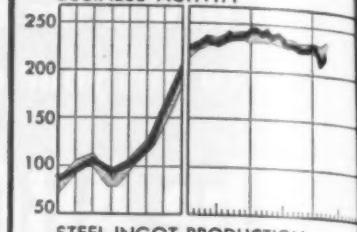
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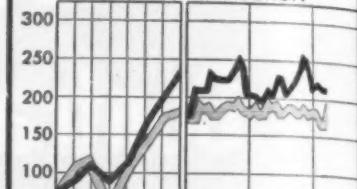
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U.S.

BUSINESS ACTIVITY



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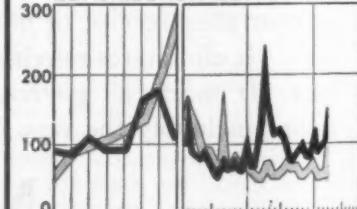
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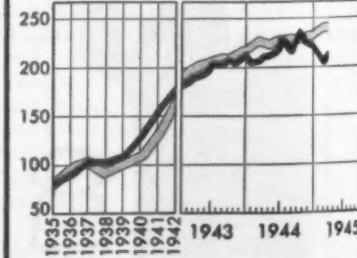
WHOLESALE PRICES



CONSTRUCTION CONTRACTS



NATIONAL INCOME



© BUSINESS WEEK

with new investment and expansion of facilities. Under present arrangements, new investments made in plant and equipment in the period from Nov. 10, 1944, through October, 1946, can be written off at depreciation rate not less than one and not more than double the normal rates.

Employment Motive—Ottawa's concern is a conscious effort to prevent taxes from interfering with the expansion needed to boost civilian employment 900,000 above 1939 figure of 3,693,000 (total gain-employed, except women in agriculture) to a "full-employment" level.

Other Toyland

U.S. merchants buy heavily in Canada, where the release of metal and 1941 price base toymakers a boom.

TORONTO—United States merchants on a buying spree were a highlight of the recent fifth Canadian toy fair at Toronto.

Toys Lure Buyers—Two inducements brought an unprecedented number of U. S. buyers to the fair: Cheaper prices, because Canada's ceilings are based on 1941.

Ottawa has released scrap metal to Canadian toy manufacturers.

Buyers could not get all the toys wanted in Canada, but their purchases reversed the traditional direction of toy trade between the two countries.

Until the war, Canada had only a small toy industry and bought most of its things in Europe, Japan, and the U. S. When overseas sources were cut off, the government clamped on the Exchange Conservation Act to set its dollar accounts, Canadian makers went to work to expand output.

1,000,000 Volume—In 1941 the Canadian Playthings Manufacturers Association held its first fair. Exhibitors numbered 28 at the first showing, 100 this year. Latest figure for industry's sales volume is \$2,000,000 in 1942, but the association estimates that this figure has since been exceeded.

Prior to the war few Canadian toy makers exported their wares, but one has earned the reputation of being the best dollmaker in the empire by assembly-line production and world sales. It is putting its dolls appropriately dressed on British and other world markets.

ADVERTISERS IN THIS ISSUE

Business Week—May 26, 1945

ALUMINUM ORE COMPANY	38	HOTEL LENNOX	118
Agency—Fuller & Smith & Ross Inc.		Agency—Gardner Advertising Co.	
AMERICAN APPRAISAL CO.	96	E. F. HOUGHTON & CO.	46
Agency—Klau-Van Pietersom-Dunlap Assoc., Inc.		Agency—Garver Adv. Services	
AMERICAN CYANAMID CO.	29	HYATT BEARINGS DIV. GENERAL MO-	
Agency—Hazard Advertising Company		TORS CORP.	75
AMERICAN GAS ASSOCIATION	53	Agency—Campbell-Ewald Co., Inc. Eastern Div.	
Agency—Ketchum, MacLeod & Grove Inc.		IRON FIREMAN MANUFACTURING CO.	8
AMERICAN MUTUAL LIABILITY INS. CO.	33	Agency—Joseph B. Gerber Co.	
Agency—McCann-Erickson, Inc.		JOHNSON & HIGGINS	57
AMERICAN PENCIL CO.	46	Agency—Doremus & Co.	
Agency—Newell-Emmett Co.		THE KAYDON ENGINEERING CORP.	77
AMERICAN SURETY CO.	84	Agency—Klau-Van Pietersom-Dunlap Assoc., Inc.	
Agency—Albert Frank-Guenther Law Inc.		THE KELLY-SPRINGFIELD TIRE CO.	50
AMERICAN TELEPHONE & TELEGRAPH CO.	110	Agency—Compton Advertising, Inc.	
Agency—Newell-Emmett Co.		GEORGE LAMONTE & SON	3
AMERICAN TRUCKING ASSOCIATIONS, INC.	37	Agency—Samuel C. Croft Co., Inc.	
Agency—The Blow Co., Inc.		LANE-WELLS CO.	118
ART METAL CONSTRUCTION CO.	104	Agency—Darwin H. Clark, Adv.	
Agency—McCann-Erickson, Inc.		MANNING, MAXWELL AND MOORE,	
BAKER INDUSTRIAL TRUCK DIVISION OF THE BAKER RAULANG CO.	84	INC.	36
Agency—G. M. Basford Co.		Agency—Briggs & Varley, Inc.	
BLACKHAWK MFG. CO.	35	MARYLAND CASUALTY CO.	23
Agency—Klau-Van Pietersom-Dunlap Assoc., Inc.		Agency—J. M. Mathes, Inc.	
BRYANT CHUCKING GRINDER CO.	45	THE MEYERCORD CO.	80
Agency—Hazard, Adson, Adv.		Agency—Western Adv. Agency	
BYRON WESTON CO.	65	MINE SAFETY APPLIANCES CO.	100
Agency—Walter B. Show & Staff, Inc.		Agency—Wilkes & Dilling	
THE PHILIP CAREY MFG. CO.	78	MONSONTO CHEMICAL CO.	70 & 4th Cover
Agency—Roy B. Durstine, Inc.		Agency—Gardner Advertising Co.	
CHICAGO, ROCK ISLAND & PACIFIC RAILWAY	55	MOORE PUSH-PIN CO.	118
Agency—The Caples Co.		Agency—Earle A. Buckley Organization	
CHRYSLER CORP.	118	MORTON SALT CO.	44
Agency—Doremus & Co.		Agency—Klau-Van Pietersom-Dunlap Assoc., Inc.	
CLAYTON MFG. CO.	49	NATIONAL ACM CO.	63
Agency—West Marquis, Inc.		Agency—Fuller & Smith & Ross Inc.	
CONNECTICUT GENERAL LIFE INSURANCE CO.	108	NATIONAL BREWING CO.	28
Agency—Edward W. Robotham Co.		Agency—D. Stuart Webb, Services	
CONTAINER CORP. OF AMERICA	92	NATIONAL GYPSUM CO.	97
Agency—N. W. Ayer & Son, Inc.		Agency—Batten, Barton, Durstine & Osborn, Inc.	
CRANE CO.	51	NATIONAL MOTOR BEARING CO., INC.	105
Agency—The Buchen Co.		Agency—L. C. Cole, Adv.	
CUTLER-HAMMER, INC.	12	NATIONAL STANDARD COMPANY, ATHE-	
Agency—Kirkpatrick-Drew		NIA STEEL CO. DIVISION	87
CYCLONE FENCE CO.	101	Agency—The Griswold-Eshleman Co.	
Agency—Batten, Barton, Durstine & Osborn, Inc.		NEW YORK AIR BRAKE CO.	39
DAVISON CHEMICAL CORP.	82	Agency—Chas. Daniel Frey Adv. Agency	
Agency—Battelle Eshleman Co.		NORTHERN PACIFIC RAILWAY CO.	68
THE DELTA MANUFACTURING CO.	93	Agency—Batten, Barton, Durstine & Osborn, Inc.	
Agency—Hoffman & Karp		NORTON CO.	67
DETEX WATCHCLOCK CORP.	96	Agency—John W. Odlin Co., Inc.	
Agency—Advertisers Associates		OREGON JOURNAL	98
A. B. DICK CO.	115	Agency—Short & Baum, Advertising	
Agency—Lao Burnett Co., Inc.		OTIS ELEVATOR CO.	42
DEIBOLD, INC.	87	Agency—G. M. Basford Co.	
Agency—Sweeney & James Co.		PENN ELECTRIC SWITCH CO.	6
DODGE MFG. CO.	99	Agency—The Buchen Co.	
Agency—Lampert, Fox, Prell & Dolk, Inc.		THE PFAUDLER CO.	119
DOW CHEMICAL CO.	43	Agency—Charles L. Bunnill & Co.	
Agency—MacManus, John & Adams, Inc.		PRESTITE ENGINEERING CO.	85
EATON PAPER CORP.	118	Agency—Oakleigh R. French & Assoc.	
Agency—H. B. Humphrey Co.		PULLMAN-STANDARD CAR MANUFAC-	
EDISON STORAGE BATTERY DIVISION THOMAS A. EDISON, INC.	2	TURING CO.	30
Agency—O. B. Tracy & Co., Inc.		Agency—Charles Daniel Frey Co.	
EITEL-MCGULLOUGH, INC.	47	RCA VICTOR DIVISION, RADIO COR-	
Agency—L. C. Cole, Adv.		PORATION OF AMERICA	95
ELECTRO-MOTIVE DIV. OF GENERAL MOTORS CORP.	27	Agency—Kenyon & Eckhardt, Inc.	
Agency—Arthur Kudner, Inc.		REPUBLIC STEEL CORP.	71
EMPLOYERS MUTUAL LIABILITY INS. CO. OF WISC.	28	Agency—Meldrum and Fowsmith, Inc.	
Agency—Daniel H. Storey		SHEFFIELD CORP.	79
EXECUTONE, INC.	24	Agency—Witte & Burden	
Agency—The Joseph Katz Co.		THE W. W. SLY MFG. CO.	114
FAIRCHILD CAMERA & INSTRUMENT CORP.	25	Agency—The Bayless-Kerr Co.	
Agency—G. M. Basford Co.		THE SOUNDSKRIBER CORP.	58
FRUEHAUF TRAILER CO.	107	Agency—Erwin, Waite, Co., Inc.	
Agency—Schapiro Associates		STATE OF NORTH CAROLINA	26
GENERAL ELECTRIC CO.	14	Agency—Rosen, Scott & Co., Inc.	
Agency—Leighton & Nelson		THE STUDEBAKER CORP.	3rd Cover
GENERAL MOTORS CORP.	91	Agency—Roche, Williams & Cleary, Inc.	
Agency—Arthur Kudner, Inc.		TAFT-PERCE MFG. CO.	94
THE B. F. GOODRICH CO.	1	Agency—Sutherland-Abbot	
Agency—The Griswold-Eshleman Co.		TAYLOR INSTRUMENT COS.	103
GRAYBAR ELECTRIC CO.	60	Agency—Batten, Barton, Durstine & Osborn, Inc.	
GRINNELL CO., INC.	107	THEMROID RUBBER, DIVISION OF THER-	
Agency—Horton-Noyes Co.		MOID CO.	56
GULF OIL CORP.	11	Agency—The Aitkin-Kynett Co.	
Agency—Young & Rubicam, Inc.		TIMKEN ROLLER BEARING CO.	41
HARDWARE MUTUAL CASUALTY CO.	74	Agency—Zimmer-Keller, Inc.	
Agency—Roche, Williams & Cleary, Inc.		TRUNDLE ENGINEERING CO.	69
HARRIMAN RIPLEY & CO., INC.	84	Agency—Fuller & Smith & Ross Inc.	
Agency—J. Walter Thompson Co.		TWIN DISC CLUTCH CO.	76
HEIN-WERNER MOTOR PARTS CORP.	90	Agency—Spencer W. Curtis, Inc.	
Agency—Arthur Kudner, Inc.		U. S. ENVELOPE CO.	34
JOSHUA HENDY IRON WORKS	54	Agency—Wm. B. Remington, Inc.	
Agency—Lester Williams Adv. Agency		WARNER & SWASEY CO.	2nd Cover
R. M. HOLLINGSHEAD CORP.	116	Agency—The Griswold-Eshleman Co.	
Agency—The Aitkin-Kynett Co.		WAVERLY PETROLEUM PRODUCTS CO.	44
HÖNÖN-CRANE CORP.	8	Agency—Gray & Rogers	
Agency—Bergen LaGrange Agency		WEBSTER ELECTRIC CO.	61
		Agency—Hamlin, Adv.	
		WESTINGHOUSE ELECTRIC CORP.	72, 73
		Agency—Fuller & Smith & Ross Inc.	
		THE WHITE MOTOR CO.	81
		Agency—D'Arry Adv. Co., Inc.	
		YORK CORP.	4
		Agency—J. M. Mathes, Inc.	
		YOUNGSTOWN SHEET & TUBE CO.	89
		Agency—The Griswold-Eshleman Co.	

LANE-WELLS COMPANY

DIVIDEND NOTICE

The board of directors has declared a quarterly dividend of 25 cents per share on the common stock, payable June 15, 1945, to stockholders of record May 23, 1945.

B. G. PETERS, Secretary-Treasurer

CHRYSLER DODGE De Soto PLYMOUTH

Chrysler Corporation

NOW MAKING WAR PRODUCTS

DIVIDEND ON COMMON STOCK

The directors of Chrysler Corporation have declared a dividend of seventy-five cents (\$75) per share on the outstanding common stock, payable June 14, 1945, to stockholders of record at the close of business May 19, 1945.

B. E. HUTCHINSON
Chairman, Finance Committee

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THE MARKETS

(FINANCE SECTION—PAGE

Since the war ended in Europe, prices of stocks during most Big Board trading sessions have shown a churning movement within narrow bounds. There has been some demand noticeable for a number of the better situated "peace" stocks, however, and the market as a whole has thus generally found it easier to rise slightly than to decline.

• **As Technicians See It**—Wall Street market technicians think this performance, all things considered, has been a satisfactory one. The more bullish also cite, as testifying to the market's present basic soundness, the absence of any recent heavy liquidation despite such price factors as President Truman's strong stand against reducing taxes before Japan has been defeated and the many rumors of Japanese peace feelers which, if they materialize into anything concrete, could quickly cause a sharp drop in industrial activity.

At the same time, however, the Street has seen trading volumes slump sharply. It is aware, too, that interest has been drifting away from the traditional industrial bellwether stocks to the more speculative groups. This has been particularly noticeable in the case of the low-priced utility holding company shares. On Tuesday of this week, transactions in but four of that group, selling within the \$11-\$1 range, provided some 10% of all Big Board activity.

• **Softness of Rail Stocks**—Likewise prominent lately have been such traditionally unfavorable technical signs as the persistent softness of rail stocks generally and the inability of the market to develop any definite price trend.

The appearance of these factors lately has done much to temper the almost

exuberant near-term optimism shown so many Wall Street quarters recently. Thus, relatively few brokers were surprised on Wednesday of this week to see (1) the emergence of profit-taking on a larger scale than disclosed earlier, (2) indication of a definite inability of the part of the market to absorb liquidation without giving ground.

• **Adjusting to the Fact**—There has been no change in Wall Street's previous feelings that "peace is bullish." However, has come to realize that postwar prosperity won't automatically follow a final windup of hostilities. And it is currently adjusting its sights to the fact that a segment of industry must first go through an expensive reconversion period, that corporate earnings must be expected to decline for a time.

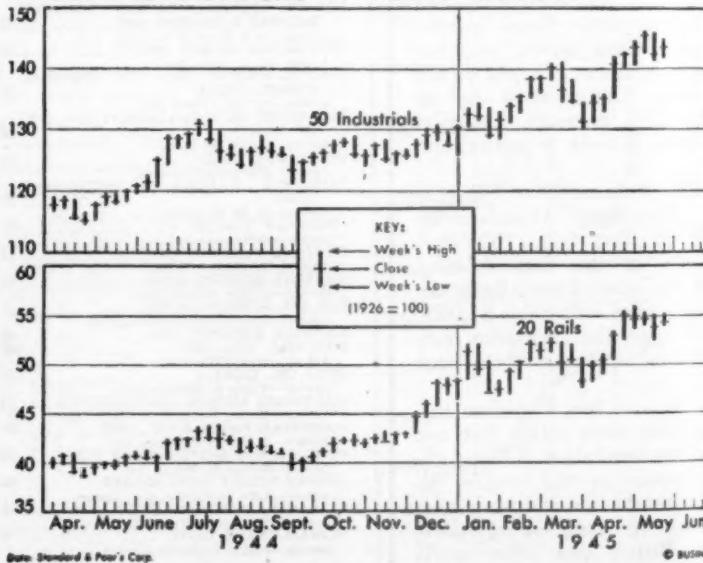
Thus far the Street hasn't greatly worried about the Interstate Commerce Commission edict ordering eastern railroads to raise their local class rates 10% and western and southern lines to lower theirs by 10%. It expects war traffic influences and the roads' present high excess-profits taxes to offset any immediate effects of the change.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial	143.8	142.4	142.6	120.0
Railroad	54.4	53.9	55.2	40.0
Utility	66.6	66.2	65.5	50.0
Bonds				
Industrial	122.2	122.0	123.0	122.0
Railroad	114.9	115.0	115.2	107.0
Utility	116.6	116.5	116.5	115.0

Data: Standard & Poor's Corp.

COMMON STOCKS—A WEEKLY RECORD



Source: Standard & Poor's Corp.

THE TRADING POST

4-PAGE

Smoke Meets Masters

There was a time when clouds of belching from factory stacks were a sign of prosperity in a company. Now, combustion engineers, municipal authorities, and property owners agree that smoke means inefficiency.

There was a time when association of smoke with St. Louis was the most natural reaction. But St. Louis decided to do something about that. Despite the tendency of the average American to continue to think of St. Louis as a smoky city (BW-Mar. 17 '45, p42), the fight against this nuisance is being won. H. Carter, commissioner of smoke abatement for St. Louis, offers evidence that municipal pride is being built on a sound foundation:

Louis has just finished the fifth heating season under its very effective smoke abatement. During the season, the local office of the U. S. Weather Bureau recorded a total of 189 hr. 58 min. of smoke in the city's atmosphere. During the last heating season preceding the enactment of the smoke abatement ordinance (1939-40) it recorded 300 hr. 30 min. The reduction in smoke during the season just past was 73 1/2%. This represents a performance 24% better than the season of 1943-44, and is a little better than the average of the five years.

Be sure you will agree that these figures, though official and recorded by an unbiased agency, do not indicate that smoke has returned in a greatly aggravated form. In fact, to our city, which unquestionably has made the greatest strides in smoke abatement of any metropolis, won't you agree that these figures speak in an early issue?

Veterans and Business

Businessmen who may be wondering what the returning veteran will play in the postwar marketing picture should be interested in the observations of a man in the Pacific who finds that even men are not always broke:

Thousands of Americans in uniform have long months at sea and at overseas posts where virtually all they spend is time. An example of the limitations on spending can be gained from the picture at Guam. The average man's purchases are confined to tax-free cigarettes, toilet requisites (at reduced prices), candy, and cokes and a couple of cans of beer. The beer and cokes are rationed, each man being entitled to two of either every second day. Aboard ship the story is about the same, though the beer ration is nonexistent, only being supplanted by "gedunks"—cream in a paper cup. Where shore stations and ships have movies, they are free. The same is true, in most cases, of haircuts.

Another thing likely to escape casual attention is that all these men are drawing an additional 20% of their base pay for overseas and sea duty. With submarines and fliers, the extra becomes 50%.

All this adds up to one thing—the average enlisted man has a considerable nest-egg, far above the nation's per capita wealth.

One Army sergeant estimates his weekly expenditures, with no conscious effort to economize, at one dollar. A 22-year-old Navy man, promoted to second-class yeoman only two months ago, has saved \$1,600, and his case is not an extreme one. Many bluejackets have accumulations of \$600 to \$1,000, and more. They draw nominal amounts on regular paydays. The remainder is left on the books until they get around to sending a lump sum home.

The men doing the saving are not all tight-fisted New Englanders, hard-headed midwestern farmers, or Scots, either. They are from all walks of life, and make no secret of the fact that they would be taking girls to the movies, buying occasional outside meals, and the like were they stationed elsewhere. The saving is just something that has been forced upon them.

Each has his own idea of catching up on something he misses most. Many hope to marry and buy furniture without recourse to the instalment plan. Those already married have their minds set on raising families, purchasing more comfortable furniture, or a new automobile. Virtually every one will have to buy an entire new outfit of clothing, because of weight gained or lost. But they are not counting on muster-out pay to foot the bill.

Fact Finding

Every businessman realizes that a postwar plan based on facts is more likely to succeed than one built on hunches. Research is necessary to get facts. But it does not produce them automatically, nor does it put them to work. Some recent suggestions and warnings are timely.

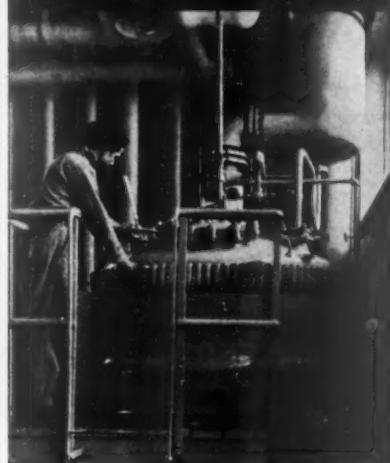
General Motors Custom Research staff:

Most surveys represent an honest effort to find the facts, but all too frequently they reflect lack of experience in technique and a failure to recognize certain rather elementary principles that must be taken into account if the returns are to mean what they seem to mean, and if the effort is to be of practical value as a guide for action.

Darrell and Frances Huff in "Twenty Careers of Tomorrow" (Whittlesey House):

Many of the simplest sounding questions are the most difficult to get dependable answers to, and experience has shown that one thing more dangerous than venturing into unknown commercial territory without research is to go into it depending upon research that was not properly conducted.

Are Your Products or Reagents on the Acid Side?



Pfaudler can't cure "acidosis"—in fact, you don't want a cure when your products or reagents are acid—but your products must be protected against metal contamination. You also want your equipment to last—so protect it against corrosion and rapid depreciation.

That's where Pfaudler Glass-Lined Equipment comes in. With your product in contact with chemically inert glass only, there is no danger of metallic contamination during processing. With this same glass lining that resists attack of all acids (except HF) in any concentration and at high temperatures and pressures, there is no rapid corrosion and deterioration of equipment. For any product that involves corrosive reagents there is no better safeguard than Pfaudler Glass-Lined Equipment.



Pose Your Equipment Problems to Pfaudler Engineers

Pfaudler Engineers have been helping the chemical, food, pharmaceutical, oil, rubber, cosmetic and beverage industries solve processing problems by designing special equipment in glass-lined steel, stainless steel, and alloy construction. Their experience and the facilities and fabricating skill of Pfaudler's two plants may be able to help you. Write the Pfaudler Co., Rochester 4, N. Y.

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PFAUDLER

ENGINEERS AND FABRICATORS OF CORROSION RESISTANT PROCESS EQUIPMENT

THE TREND

YOU AND THE SURPLUS DISPOSAL JOB

Disposal of government-owned surplus property is still in the test-tube stage, but even now, it is possible to spot some of the dangers that will arise as the big postwar surpluses hit the market. In some lines, the government stocks will be large enough to supply all the ordinary demands of the domestic economy for years to come. If they are priced carelessly, marketed clumsily, they may warp the established price structure out of shape and put normal suppliers out of business just at the time the country is trying to get peacetime production established on a full employment basis.

Neither the government nor business wants anything like this to happen. The question is whether they can prevent it. The answer is that they can't, unless they buckle down to the job with something of the same seriousness and the same spirit of cooperation that they devoted to their other big joint venture, war production.

The present surplus disposal system (Report to Executives—page 43) is based on good intentions, but good intentions, without effective administration and favorable conditions, won't be enough to do the job.

• **The Surplus Property Board**, which has charge of policy-making and supervision, is not a forceful administrative agency. Its task is complicated by a patchwork law and by the more or less selfish activities of pressure groups both inside and outside the government. There is a danger that the Surplus Property Board will lose its grip on the situation. Aside from this, there is the danger that in any specific decision—on pricing, method of sale, or estimate of what the market will take—it will make a mistake, and someone will be badly squeezed as a consequence.

The board's worst difficulties now arise from its fear of giving offense. Its orders drift for weeks or months "on circulation" while various other government agencies write opinions about them. Procedures that should be quick and simple—for example, securing the approval of the Attorney General for a proposed sale—become more and more complicated as one qualification is stacked on top of another in an attempt to make the result attractive from all viewpoints.

• In surplus disposal, it is peculiarly true that you can't please everybody. One man's end product is the next man's raw material; and a bargain rate for the second is murderous price-cutting to the first. The job for disposal authorities is to work out a price that is fair to both, which means a price that won't particularly please either.

Bernard Baruch, whose report on postwar readjustment problems laid the foundations of the present disposal system, recently gave the three board members some paternal advice: "No matter what you do in dispos-

ing of surpluses, there will always be a minority—a very noisy one—who will say you did the wrong thing. Matter which horn of the dilemma you have chosen

If the Surplus Property Board means to set up an effective disposal system with the health of the general economy as the main objective, its course for immediate future is fairly clear. It will have to put Baruch's advice in its hat and set up the program it thinks best, regardless of how loud the wails.

• **Effective administration** is only part of the answer. Ultimately, the success or failure of the surplus disposal program will depend on the way businessmen react to it and to the extent to which they participate in the fitting of surpluses into the normal pattern of the economy.

If business looks on surpluses contemptuously as "the biggest garbage disposal job in history," if it tries to keep them in government stockpiles, or refuses to handle them except at bargain prices and wide profit margins, both government and business are in for trouble. When the government agrees to maintain excessive stockpiles, the big surpluses probably will remain unsold for a considerable time; but with unsold stocks hanging over the markets, it will be almost impossible to keep prices from sagging. On the other hand, where the government yields to pressure and lets some of the surpluses out at cut rates, the market may not sag, but collapse. Furthermore, the longer plants and materials lie on the government's hands, the greater the temptation to use them in a venture into government operation.

In any case, the best insurance that the individual businessman can have is to find a place for himself in the surplus disposal program. If he doesn't, his competitor may. In surplus disposal, even more than in ordinary business, the premiums will go to the man who develops new markets and figures out new uses for the goods.

• **One thing** businessmen will have to remember is that dealing with the government probably never will be as convenient or as simple as dealing with private sellers. A certain amount of red tape is inevitable in buying from the government—just as it has been inevitable in selling to the government, even in wartime. Terms of sale, particularly warranties, will be less satisfactory than those quoted in private trade. The little courtesies and accommodations will be absent. The prices the government quotes may or may not compensate for these drawbacks. If they don't, business can charge the inconvenience off as an investment in its future security.

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26, 196